

The golden triangle

The south of France is a haven for start ups and its success can be measured by a continuous stream of new ventures and the sustained growth of earlier launches. By **Louise Joselyn**.

The Provence Alpes Cote d'Azur (PACA) region of the South of France has focused on encouraging technology based SMEs and start ups for many years. "It's all about the golden triangle," said Bernard Pruniaux, a PACA local government official. "Innovation plus SMEs equals increased employment."

Laurent Londeix, director at Orange Labs and president of a local technology cluster targeting secure communications, explained how the region is aiming to foster and encourage new projects, in order to help its 200 SMEs grow and develop. "Every year, we set up collaborative projects and invite appropriate start ups and SMEs to participate. We help them with protecting their IP and share our development platforms to get them off to a good start. We also provide coaching and facilitate their access to markets and finance." Since 2007, Londeix says the region has supported 90 microelectronics projects, half of which have attracted €150million in grants. A measure of the region's longer term success is that five SMEs have recently been recategorised as medium size companies, employing more than 250 people.

Texas Instruments has been located in the area for decades. According to vice president Pierre Garnier, it's almost a duty to stimulate a bigger and better ecosystem. "We need imaginative and innovative start ups and are more than happy to give them access to our OMAP platforms, for example. This gives start ups an immediate and real market outlet for innovative ideas and they become a symbiotic part of a vibrant ecosystem."

All kinds of start up can be seen in the area, from those with a germ of an idea upwards. But mature companies employing thousands are also breeding grounds for new start ups and spin offs. Here's a selection of the region's start ups, at different levels of maturity.

Neonatal

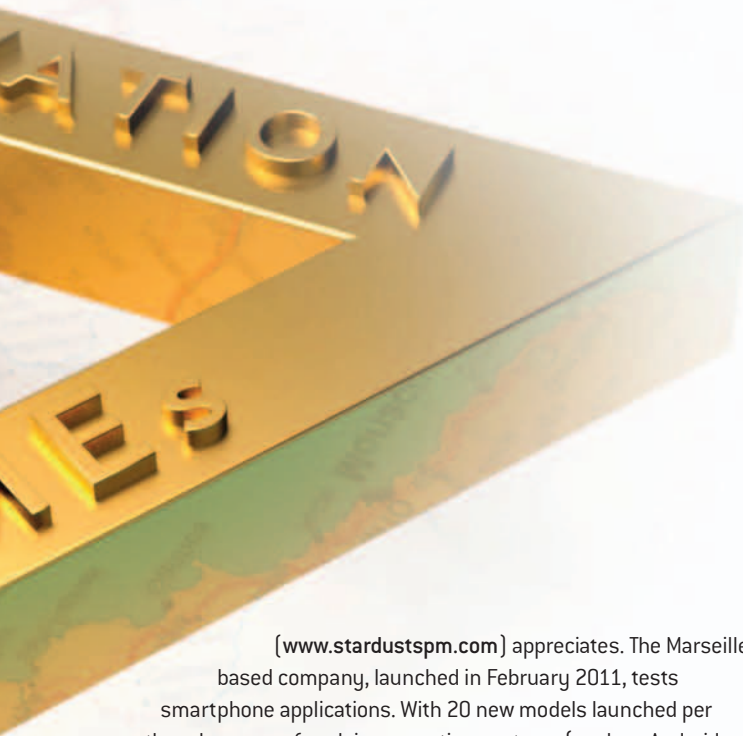
Last October's Sophia Antipolis Microelectronics Forum provided an opportunity for Neomura (www.neomura.com) to explain its ideas to a sympathetic audience. Three engineers, with 12 years experience in embedded software development and an understanding of consumer and M2M markets, are set to launch their new business early this year.

Headed by Jean Francois Morcillo, Neomura has developed Kembedia, a software development kit based on Linux, Java ME and OSGi. Supporting a range of hardware, the kit allows rapid application development of interoperable and communicating embedded devices. Remote data management and high data security are key features – both technologies are part of PACA's focus on small secure communicating devices. Home automation is a prime target market, along with health care monitoring and smart energy. The second phase of development is to support applications that link to internet service providers.

Gifted child

The fast moving digital mobile ecosystem requires equally fast reactions and a flexible approach from start ups, as Stardust

The PACA region fosters start ups by involving them in collaborative projects alongside larger companies



(www.stardustspm.com) appreciates. The Marseille based company, launched in February 2011, tests smartphone applications. With 20 new models launched per month and a range of evolving operating systems (such as Android, Windows Phone 7 and Symbian), ensuring an application is robust and transportable is no longer trivial.

Test automation is limited due to the fast changing platforms, although Stardust has developed tools for project management, taking a rigorous approach towards reporting and tracking bugs. With much local interest and support, Stardust's services have already been tried out by the likes of Nokia, Microsoft, Sony, Ericsson, Logitech and by apps providers such as French rail company Voyage-SNCF.

Synergistic upstart

Spotting the opportunity of a ready made business and an existing local market, rf test specialist NRFLab is a spin out from WiPro/NewLogic. NRFLab (www.nrflab.com) was founded two years ago by Myriam Massei. "Sophia Antipolis is an area rich in innovative companies offering wireless and contactless solutions, so our



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customers are not far away," she said. But, already, the company has customers in Germany, the UK and elsewhere.

The company is equipped to validate rf electronic components and products, from development phase to production testing, setting up and running appropriate tests and analysing the results. It also advises on methodologies and develops embedded code to improve test strategies.

Precocious teenager

Riviera Waves (www.rivierawaves.com), another Wipro/Newlogic spin out founded in 2009, targets IP for the low power Bluetooth market. Sophia's extensive wireless ecosystem and the support offered to start ups, was an important factor.

Ange Anzar, president and ceo, said: "We have an experienced and well motivated team that understands the technology and the market." Focused on Wi-Fi and Bluetooth, it claims to be the first IP company to qualify Bluetooth low power, Bluetooth 3.0 and, more recently, Bluetooth 4.0.

Anzar's key message to start ups is to put the customer first. "The customer needs 'applied' innovation – innovation on its own is not good enough. It must be sellable and it must be applicable to your target market." Partnering with customers is an important part of the company's strategy.

"The opportunities provided locally, working on collaborative projects are excellent. We need more of them!" Anzar's ideal, however, would be to see an equivalent to Stanford University in PACA.

Flying the nest

Set up in 1997, ASK (www.ask-rfid.com) has just made it to mid sized status. employing 300 people worldwide and recording a €30m turnover last year. ASK focuses on contactless technology solutions, including e-covers, inlays, rfid stickers and smartcards. Recent successes include the inlays for biometric passports in France and the UK.

ASK vp Amand Cochet said the company changed tack from its original plan. "You have to be prepared to reorient your strategy," he advised. The company moved swiftly into identity inlays from its initial focus on transportation. "To start with, we tried to deal with the end customer – local governments – ourselves." Now ASK partners with Gemalto, a much larger (and local) organisation that has the necessary long term relationships. Partnering was a critical lesson. "It's vital to collaborate, cooperate and be open," Cochet said. "In addition, you must understand your customers and anticipate them, and that requires spotting the trends."

A particular success has been its ability to develop a global customer base, with joint ventures serving customers in Brazil, China, India, Mexico, the US and South Africa. "Getting international business can be tricky. It became clear early on that we weren't going to win contracts without local manufacturing, so that was an investment we had to make," Cochet explained. After setting up in China in 2005, ASK won the contract for electronic paper tickets for the 2008 Olympics.

ASK has taken advantage of a local program that trains people in best practice international sales techniques and has benefited from PACA's collaborative projects. In one case, ASK is the project leader, working with STMicroelectronics and others. "This is very good practice for SMEs," Cochet commented.

Settling down

Inside Secure (www.insidesecond.com) is another PACA start up that is now a mid sized company. Based in Aix-en-Provence, this spin out from Gemplus (now Gemalto) employs 381 people and has annual revenues of some \$150m. It is on track to become a leader in near field communications (NFC) based smart platforms for secure transactions and digital security.

Since its start up days in 1995, it has reinvented itself three times. Chief executive Remy de Tonnac explained the company underwent 10 rounds of financing, involving some \$200m of investment, in the early days. It first changed direction from logistics to payments via smartcards, and latterly to NFC payment technology in smartphones, a market expected to grow strongly.

"We were the first to develop NFC in 1999, but the industry remembers the announcement of NFC by Philips/NXP in 2002," de Tonnac recalls. "Today, PACA is NFC valley, with Gemalto, ST, Atmel, ASK, SPS and others all located here."

In 2010, the company acquired the secure microcontroller business from near neighbour and partner Atmel. "It's important to be agile in a new and fast growing market," de Tonnac said. "You have to get there at the right time." His advice to start ups? "Never give up. Resistance and resilience are the qualities you need. There's nothing more powerful than an idea that has found its time."

The prime time

The size of the smartcard and contactless technology ecosystem in the south of France should come as no surprise and one of the largest players Gemalto, formed from the merger of GemPlus and Axalto. Not only has Gemalto (www.gemalto.com) spawned a large number of spin-offs – at least nine in smartcards – but it also has a policy of partnering with SMEs. Currently employing around 10,000 people (1700 in PACA) and with 2010 revenues of €1.9billion, Gemalto's

customers include mobile phone network operators, transport operators,

passport offices and online security companies.

Alain Sigaud, senior vp for business and technical advisor to the company's security business unit, talks

about the 'diaspora effect'. "There are

many spin offs from Gemalto and we encourage and support some of them. We look for special skills and

innovation from the SME resources that we partner with." The

company joins in some collaborative projects – another platform is planned for ID verification and authentication – and is a member of the CIMPACA platform programme.

"We also get involved with thematic groups that involve start ups and provide market information and data to help the group as a whole," Sigaud noted. The company contributes towards coaching and business angels programmes and offers to help SMEs with 'proofs of concept'.

Family values

PACA's successful start up culture can be attributed to a combination of factors, including: its mix of large, supportive oems; a focus on complementary technologies, including SoCs, smart cards, digital security and wireless communications; and government backed programmes supporting technology and business development initiatives.

Although the region believes it can and should do more to support and encourage SMEs, its infrastructure – at least from the outside – appears to be self sustaining. "Companies like Intel and nVidia are not just coming here for the sunshine," Pruniaux asserted. "PACA's reputation for innovation, its ecosystem of supporting businesses and its skill base attracts them."

There are similar UK centres of excellence, though with differences in emphasis. In Cambridge, for example, the university arguably provides a greater lead and more direct support for start ups than PACA's diverse educational establishments. Cambridge Wireless, meanwhile, is East Anglia's equivalent to Sophia Antipolis and other areas have a growing reputation for technology clustering, including Bristol, Manchester and Edinburgh.

Where the UK differs from PACA is the lack of large oems to sustain an ecosystem. However, UK Government support and a technology focus is improving through bodies such as the Technology Strategy Board and programmes such as the Smart scheme and Launchpad initiative. The Startup Britain campaign will also help.

But one differentiating factor between the UK regions and PACA that no amount of government support can change is the sunshine.

www.startupbritain.org www.innovateuk.org

