

# External evaluations of Aalto Innovation Ecosystem

**EUA STUDY**

# The Role of Universities in Regional Innovation Ecosystems



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# Aalto University, Finland

## Infrastructural Development

- Very supportive city development that aligns its infrastructural development with idea of triple helix co-creation
- Major investment in campus development of Aalto at Espoo to bring business and art schools to campus

- Student entrepreneurship society with Start-up Sauna, Slush, Junction hackathon
- Design Factory gathers interdisciplinary challenge projects, business development and teaching innovation
- VTT applied research center for university/business co-creation

- Attention to co-creation spaces
- Investment in iconic architecture
- Investment in subway connection from Helsinki city centre

## Innovation Brokers & Facilitators

## Strategy Development

- University merger itself a major strategic project that is at the same time the showcase of Finnish innovation policy
- Close alignment between urban and university strategic development
- University leadership strong strategic actors

- Triple helix leadership, with university, city, companies well aligned
- University leadership strong strategic actors
- Highly cooperative communication
- Entrepreneurial leadership by students, student associations

## Leadership

## External Opportunities

- Merger of three leading complementary institutions strongly supported by national government
- Financial crisis as opportunity to emphasise new innovation policy and entrepreneurial opportunities
- Weakened role of Nokia lets more diverse interdependent network with dynamic start-up scene emerge in the sector

- Aging society
- Sustainable development
- Divide between remote areas and Helsinki capital region

## Societal Challenges

## Funding Framework

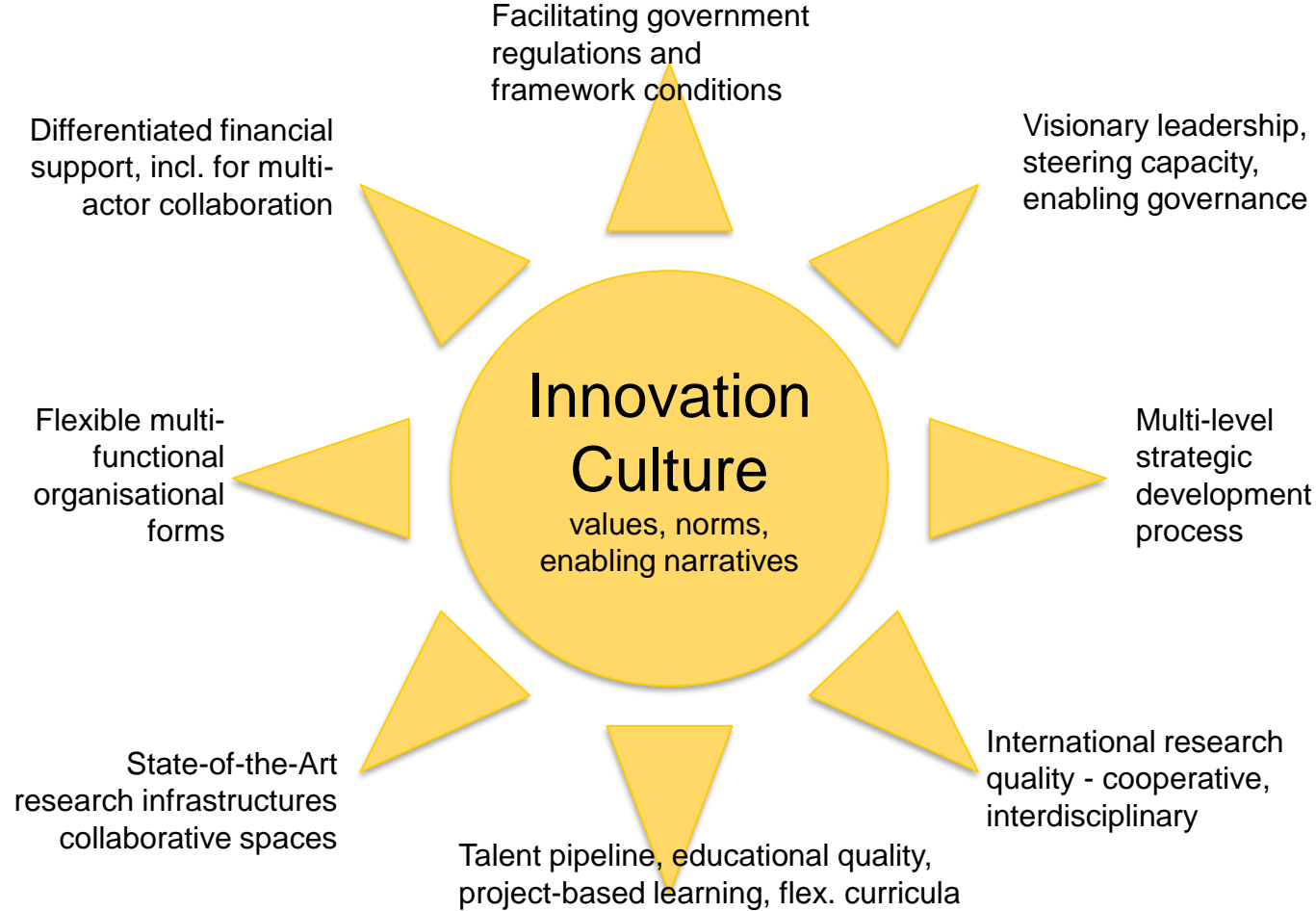
- TEKES (now Finland Innovation) important innovation support agency which incentivises business-university collaboration
- In relative terms declining basic research funds
- Merger with new university facilitated by substantial public investment and donations
- Emerging fund-raising culture
- Fast growing Venture Capital

## Government Regulations

- New university act introduced possibility of universities as foundations
- High degree of university autonomy (staffing and financial)

**High trust,  
low hierarchies,  
highly cooperative,  
strong student  
empowerment**

# V. Success Factors of Reg. Innov. Systems



# PwC Internal Audit Report Summary (2/2)

## 1. Executive summary – overview of findings

**1** *Aalto Innovation Ecosystem; Structure, functions and role of innovation at Aalto is not fully clear, requires more communicational efforts.*

Medium

**2** *Aalto Innovation Mission and Role; Contradicting views noted, requires more communicational efforts.*

Medium

**3** *IP Commercialization Process – Current Process and Key Activities documentation does not specify minimum documentation requirements applicable to various innovation cases.*

Medium

**4** *IP Commercialization Process – Awareness; Low, requires more communicational efforts.*

Low

**5** *IP Commercialization Process – Valuation and IP Transfer Negotiations; Requires further transparency and more communicational efforts.*

High

**6** *IP Commercialization Process – Cooperation within Innovation Services and with Inventors; Process requires further transparency, innovation agents' level of expertise varies.*

Low

# Outside interests and positions

28.10.2019



# Premises for outside interests and positions

- **Aalto's new strategy sets the bar high for the future**

*We renew society with research-based knowledge, creativity and entrepreneurship.*

*We generate innovative solutions to tackle global grand challenges.*

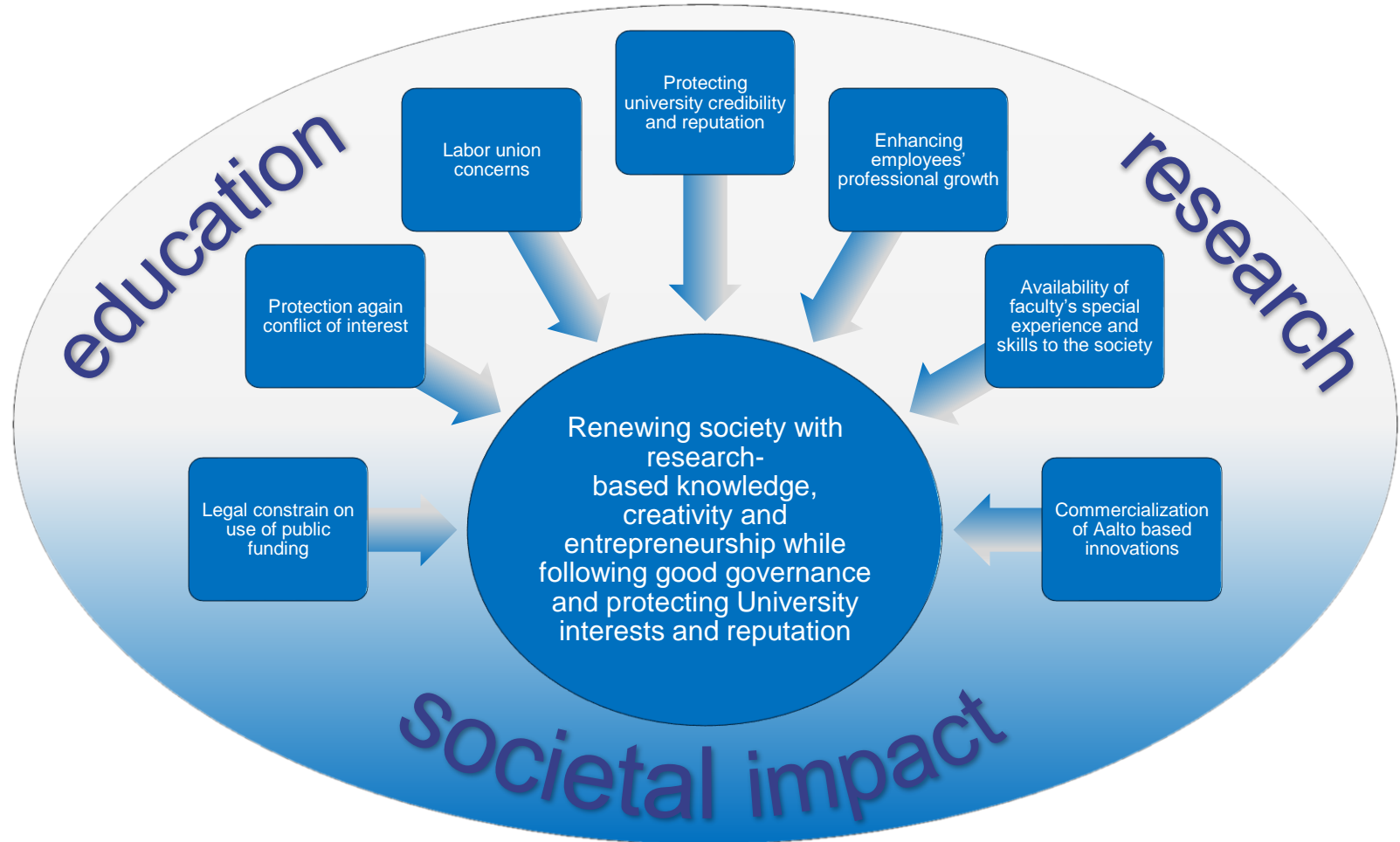
- **University contract with MEC spells out the requirement to show societal impact**

*"Universities strengthen their societal impact by increasing wider utilization of their know-how and research outcomes, commercialization of innovations, exporting know-how, possibilities of life long learning and entrepreneurial capabilities. Universities make their research outcomes widely available and actively develop new models for transferring the knowledge to the society."*

- **MEC financial guidance to the universities sets the limitations for using public funding**

*"The underlying principle is that the higher education institutions (HEI) take into account the principles of EU competition and state aid regulations in their financial operations. According to the cross-subsidization prohibition included in these principles, commercial activities of the HEI cannot be financed with public funding. The public funding granted by the government to HEI can only be targeted towards the public responsibilities of the institution (education and research)."*

# Drivers and constraints





# Outside interests and positions – Legal framework and current policy

## Legal framework

Employees can

- have **secondary occupations** unless it hinders the employee's performance in the main occupation at Aalto.

Employees cannot

- engage in **competing activity** if it evidently harms Aalto.
- unlawfully utilize Aalto's **trade secrets** or disclose them to third parties.

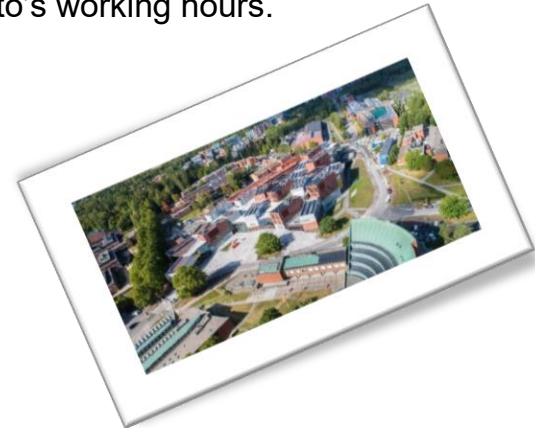
Employees must

- **disqualify** themselves in case of incompetence due to the likelihood of bias.
- respect the statutory and contractual **IPR provisions**.

## Current notification and approval policy

Employees are instructed to make

- a) an **outside interest notice** in case of engagement in another legal entity (shareholding, entitlement to vote, directorship) or affiliation with an entity operating in the same field as Aalto.
- b) an **application for secondary occupation permission** in case the work would take place during Aalto's working hours.



# Policy principles and implementation

| Principle  | Current status  |
|--|---|
| Employees are required to make an outside interest notice/application for a permission.                                | The requirement is communicated as a part of onboarding and most employees make the notification/apply for a permit.  |
| Process is transparent and the criteria for granting permissions and approving notifications are uniform across Aalto. | <p>The process is transparent and followed across Aalto. The interpretation of the criteria for granting permissions are not yet uniform across Aalto.</p> <p>The current procedures do not sufficiently fit start-up situations (e.g. review frequency, triggering the need to make a choice btwn university and start-up employment).</p> |
| Aalto maintains records of outside interests unlike most universities in Finland (no legal obligation to do so).       | Only HR has access to the online records. The records are not accessible to managers and the employees themselves online and it is difficult to form an overall picture when granting a permission.   |

# Outside interests in numbers

| Role in outside interest/employment      | Outside interest notice | Outside interest permission |
|--|-------------------------|-----------------------------|
| Board member                             | 176                     | 17                          |
| Position of Trust                        | 14                      | 14                          |
| Owner/shareholder                        | 75                      | 8                           |
| CEO                                      | 15                      | 5                           |
| Outside employment in another university | 13                      | 7                           |
| Outside employment in a company          | 91                      | 32                          |
| Strat-up/entrepreneur                    | 103                     | 14                          |
| count                                    | 487                     | 97                          |

|  |            |
|--|------------|
| <b>Number of employees with outside interest notice/permission</b> | <b>380</b> |
| Number of employees with outside interest permission(s)            | 69         |
| Number of employees with outside interest notice(s)                | 311        |

Majority of the employees w outside interests are academic

⇒ Ca 15% of the academic employees (total 2347 w/o hourly teachers) have outside interests

# Next development steps

## Awareness building

- E-learning (w concrete cases) as a pre-requisite for an outside interest application (early 2020)
- Training on the process and risks included in the new Vice Dean and Department head onboarding program (11/2019)

## Support for commercializing Aalto-based innovations

- Practical guide for Aalto employee's start-up involvement
  - Defining clear offering for early stage start-ups (e.g. infra and facilities use, consulting)  
=> shift from rules to positive offering
  - Defining the guidance for conflict of interest situations
  - Policy for a limited leave of absence for commercializing an Aalto based innovation (10/2019)

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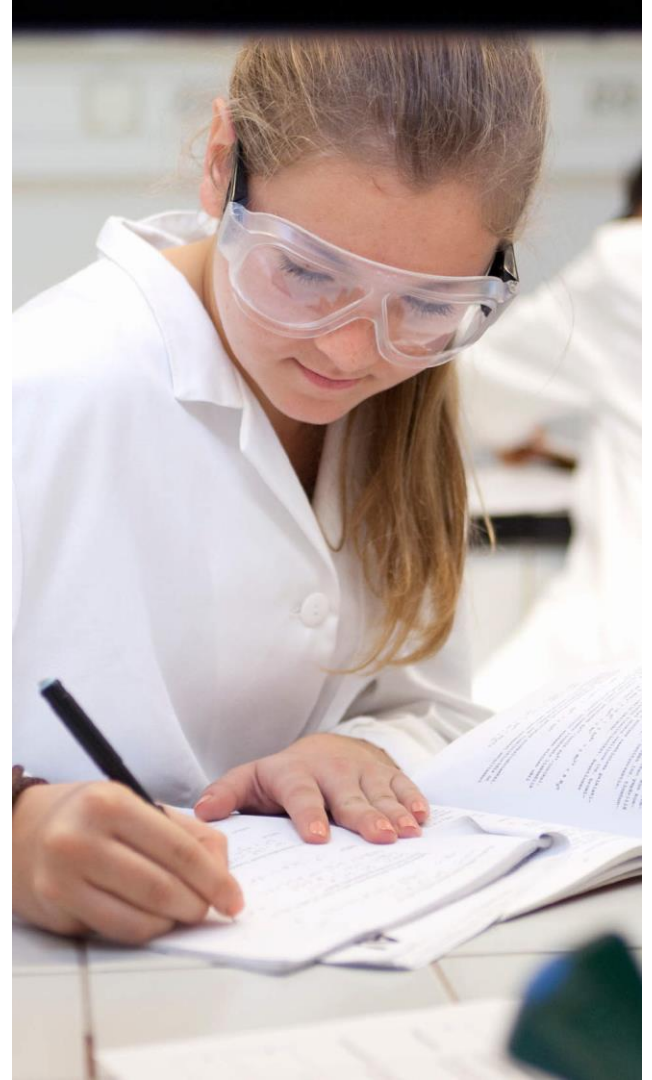


# Next development steps

## Process and tool improvement

- Establishing Compliance Committee (chaired by Provost) to address outside employment applications and ensuring consistency across Aalto
- Outside employment process and register moved to Workday by end 2019
  - Streamlined process, improved visibility to all parties
  - Application form to include employee's own evaluation of potential conflicts of interest
  - Clear document on disqualification and conflicts of interest to the employee

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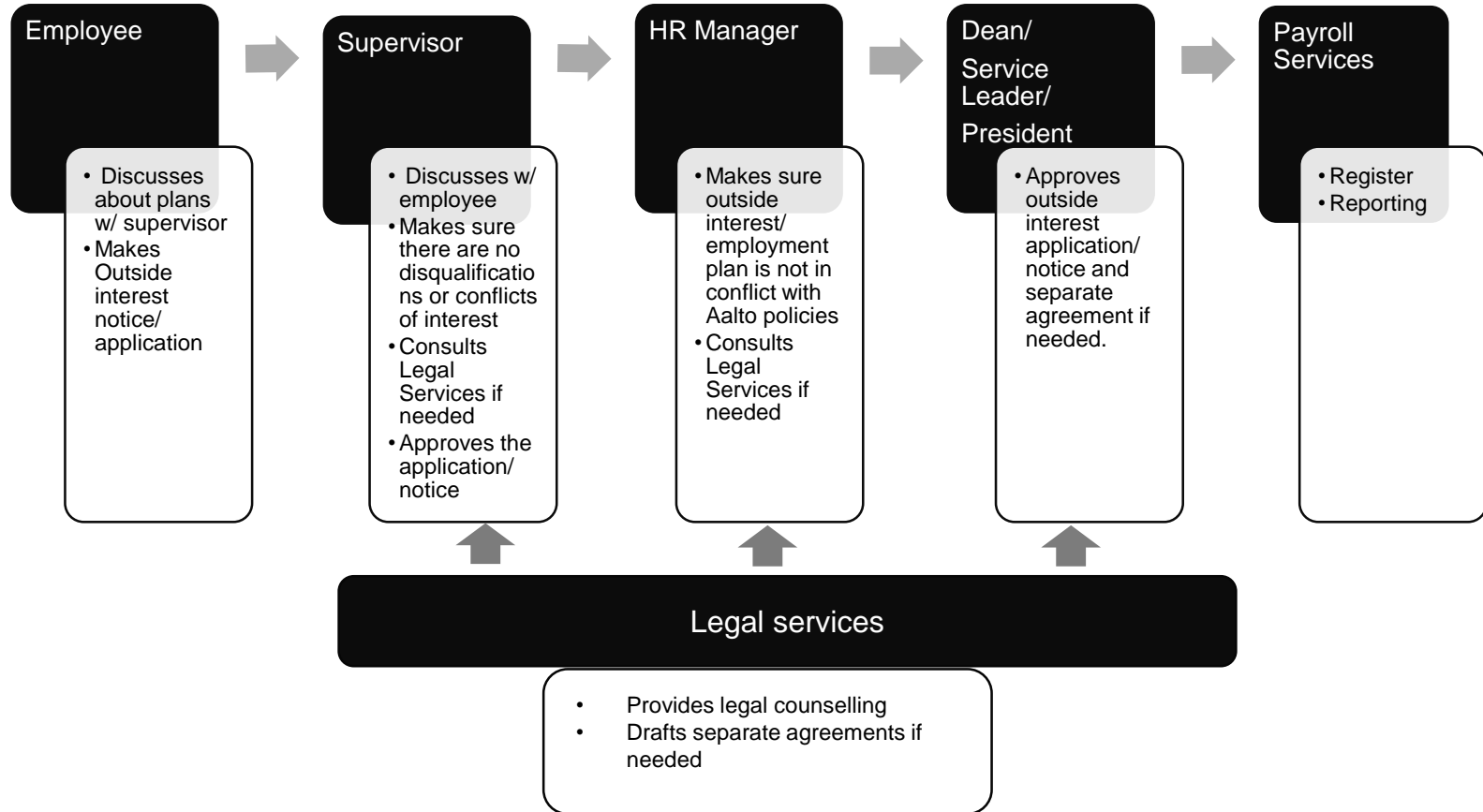


# Backup material





# Approval process for outside interests



# Links to existing materials

**Guidelines:**



Adobe Acrobat  
Document

**Information on disqualification:**



Adobe Acrobat  
Document

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