

# Lyon Technopole

## 1. Introduction

Lyon is part of the Rhone Alpes region in the south east of France. With approximately 1,260,000 inhabitants in conurbation (Greater Lyon), and 416,000 in the City of Lyon, it is the second biggest city in France after Paris. Lyon is also the second economic region in France, on a long distance from Paris. Therefore, Lyon can better be compared to conurbations such as Marseille, Lille and Bordeaux. In order to strengthen its varied economic base, *Grand Lyon*, the *Communauté Urbain*, introduced the *Technopole* knowledge initiative. This initiative aims to animate the innovative and entrepreneurial spirit within different future oriented sectors of the local and regional economy.



## 2. The economy of Lyon

Lyon's traditional economic activities are in the automotive sector, the agro-food sector, textiles and chemical industries. After the fundamental changes in the economy, companies inside these sectors had to change, in order not to go bankrupt. Lyon invested in these sectors in order to keep them attached to the city. Therefore a change in mentality had to be reached because the old industries could only be beneficial for the city of Lyon if they changed from being 'producers' into clusters of innovative and technologically advanced companies, connecting SMEs, research institutes, education institutes, services and multinationals. For this reason, synergy by co-operation between these agencies had to be promoted. By doing this, these industries are still the core of Lyon's economic structure.

## 3. Lyon's institutional structure

In Lyon, as in all other metropolitan areas, a metropolitan Council fulfils most of the tasks that are performed by municipalities in other countries. Because of the small size of municipalities, metropolitan areas are very fragmented areas. *Greater Lyon*, created in 1969, is the *Communauté Urbaine* of the greater Lyon area. It

employs about 4.300 individuals. Only since 1992, *Greater Lyon* has economic competence. The *Direction des Affaires Economiques et Internationales* (DAEI) is, since then, one of three departments inside Greater Lyon. DAEI consists of four sub-departments:

- 1 Economic territorial Animation (real estate, relationships with the cities);
- 2 Technopole;
- 3 Inward investments;
- 4 Traditional industrial activities (automotive industry, textiles, chemistry).

Technopole is the division that manages policies on innovation promotion in various parts of the Greater Lyon economy.

## 4. The Lyon strategy towards economic growth

Four elements are the building blocks of *Greater Lyon's* economic strategy.

- 1 Lyon wants to make the best of its place in the European transport network. Lyon is linked to many important European cities via main motorways, high-speed train tracks and telecommunications links.
- 2 As one of Frances bigger conurbations, it has a diverse economic base to build on, with traditional industries such as textiles,

mechanical engineering and chemicals and a big third sector, in which three out of every four employees in Lyon work. This sector is the primary focus for development in Lyon.

Service activities are not very difficult for Lyon to attract, so it is only a matter of accompanying them, and meeting the conditions they need for establishing in the region. For this region, a number of 'urban development plans' is in progress. These plans provide the physical space and infrastructure in which the targeted sectors can locate, and where clusters will have a change to emerge and or tighten. These plans are 'THE Lyon Technology Park', 'Part Dieu Business District', 'Mions Corbas industrial and logistical centre', 'Techlid west Lyon Science Park', 'Lyon Gerland Technopole' and 'Cité Internationale Service and Business Centre'. All these developments are undertaken by the main agencies out of the region in co-operation, under guidance of Greater Lyon. In the three first mentioned sectors (textiles, mechanical engineering and chemicals), Lyon wants to build up its competence further, by creating synergy between the economic base and the research centres that are available in the region. For this, the *Technopole* Plan was written, which is elaborated below.

- 3 By making international partnerships in the areas of finance, education, research and culture, Lyon tries to enhance its attractiveness and influence of its companies in Europe.
- 4 Lyon uses 'Quality of life' as a main pillar of its future development.

## 5. Innovation and entrepreneurship policy in Lyon

### Urban Development Initiatives

Of the urban development projects mentioned above, three bear significant importance for innovation and new entrepreneurship policies.

Firstly, *THE Lyon Technology Park*<sup>1</sup> is developed just outside the boundaries of the city of Lyon. It is a big business park that is especially created for innovative and high technology companies in the sectors of Biotech and Eco-technology. It is especially looking for bigger companies who wish to settle in the Lyon area, and who can fulfil the criteria of advanced technology and innovative potential.

Secondly there is *Techlid*<sup>2</sup>, the Science Park of Western Lyon, that extends over the borders of four Municipalities: Ecully, Champagne-au-Mont-d'Or, Limonest and Dardilly. These municipi-

palities, together with main businesses, banks, real estate experts and the Ecully education and research centre joined hands in *Techlid*, because many businesses in electronics, computer science, the medical sector and biotechnology, engineering and design are situated here in the urban fabric and the various enterprise zones. *Techlid* wants to strengthen this profile, and promote the area as a highly innovative and technologically advanced, and thus interesting area.

Thirdly, *Lyon Gerland*<sup>3</sup> near the City centre of Lyon, has historically been a 'node' of technologically advanced economic activities in the field of 'bio-health', especially because of the presence of the *Ecole Normale Supérieure de Lyon*. This is an elite scientific college with the role of training researchers, teachers and engineers in mathematics, computer science physics and biology. In the area, many projects are now undertaken to change the physical structure. One of these projects is the opening of a 'scientific boulevard'. Together with attracting new higher education facilities, this action aims to consolidate and strengthen the technological standing of the area, in order to promote future development.

All three of these urban development projects, as well as the other urban development plans are managed by the Municipalities and several private agencies, and co-ordinated by *Greater Lyon*. *Greater Lyon* in this way has the ability to combine these physical developments with social improvements in the economic structure, by creating synergies through co-operation in the various clusters of economic development in the Lyon metropolitan area. The projects mentioned in the next sections must therefore be seen as connected to these urban development projects.

### The Technopole Plan

In September 1998, *Greater Lyon* issued the Technopole plan. The idea to further develop the Life Sciences potential was an item already in 1984, when de Chamber of Commerce brought this idea up. Decision-making accelerated when the new mayor of Greater Lyon made knowledge transfer an important topic, by calling it an economic asset. The Technopole plan that was subsequently developed, and that has to be implemented in three years, has three main directions:

- 1 General actions for the whole scene;
- 2 Sector Plans;
- 3 Site developments.

1 Greater Lyon Urban Community (2000)  
3 Greater Lyon Urban Community (2000) *Boulevard Scientifique Tony Garnier - Lyon Gerland*. Lyon: Greater Lyon, General Delegation for Economic and International Development

1 Greater Lyon Urban Community (2000)  
*THE Lyon Technology Park - Lyon Porte Des Alpes*. Lyon: Greater Lyon, General Delegation for Economic and International Development

2 Greater Lyon Urban Community (2000)  
*West Lyon Science Park - Techlid*. Lyon: Greater Lyon, General Delegation for Economic and International Development

In the general actions, Greater Lyon set the goal to identify the key fields of specialisation in the area, and to promote the City as an economic location in these fields. Attached to this is the goal to identify and characterise the research in Lyon, and the extent to which it can be used to support economic development, as well as to show the competences in labs that can be interesting for firms. Attached to this is the goal of promoting start-ups from research laboratories and more generally promoting entrepreneurship among researchers, and fill the gap of risk capital provision in the Lyon area.

In the sectors of Health, Life sciences and ICT, sector plans were drawn. *Greater Lyon* set several tasks for itself in this area. The first task is to make networks of all the relevant agencies in the field, in order to improve the synergy between the agencies from different backgrounds, and to animate collective projects. The second task that is undertaken is the promotion and marketing of the specific cluster. Thirdly, strategic projects (such as Technology platforms) in the specific sectors have to be initiated and funded.



Specialised incubators and science parks will be developed in co-operation with the State and the Region, also to promote the various sectors.

After these main goals were set, working groups were started with people from all sides of the community, in order to further develop the goals into concrete actions. These concrete actions, as well as already existing projects that are integrated into the networks, are described in the next sections.

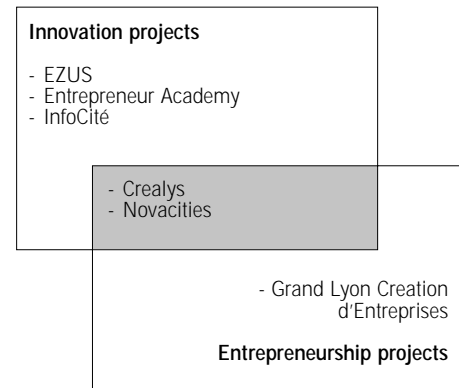


Figure 1, Innovation and entrepreneurship projects in Lyon

### Entrepreneurship and innovation projects

*CREALYS* is a company that intends to create companies from public (university) research activities. The State government, the Regional government and *Greater Lyon* fund the company for three years. The State has the incentive to create a network of official government incubators, and *CREALYS* fits right into this programme, especially in Bio-Tech, where the State (in co-operation with the EU) promotes intensive co-operation between Paris, Lille, Clermont Ferrand and Lyon. The Region Rhone Alpes has a long tradition of network provision, and funds *CREALYS* through general grants, and specified grants. The Cities of Lyon (*Greater Lyon*), Saint Etienne and Bourg & Bresse also participate in *CREALYS*. *CREALYS* has two main tasks. First, it has to make students aware of the possibilities of entrepreneurship. It does so by giving courses at the university. Detection of possible entrepreneurs goes through institutions in the universities such as EZUS that is described below. The second and most central goal is to help people through the phase of becoming an entrepreneur. Three phases can be distinguished in this process. The process begins with a first evaluation by an executive committee. This committee evaluates the first idea and if the idea is regarded feasible, a grant up to 4,000 Euros is given to the entrepreneur in order to develop the idea further. This is the second phase that can last up to six months. The entrepreneur makes a detailed business plan, that emphasises what will be sold to whom, and when the company will start functioning. After this period, the 'high board' makes a second decision, where the entrepreneur has to give a ten-minute presentation, after which the board members have twenty minutes for questions. Finally a 'go, no-go' decision is made. When it is decided that the company can

be founded, the company is helped with subsidies from several agencies.

*Novacities* is a special project in which different start-up help companies and incubators (*pepinières* in French) work together to create the best environment for potential innovative start-ups. The main start-up agency in *Novacities* is the Chamber of Commerce and Industry (CCI). Inside CCI, a number of experts work on start-up guidance, by means of expert counselling, help in development (methods, evaluations and training) in finance, marketing, administration, and the like. *Novacities* is part of an EU wide innovation Network. The core of *Novacities* are the three incubators – *Alpha* in Villeurbanne, *Delta* in Ecully, *Oméga* in Lyon Gerland – that are managed by groups of so-called ‘godfathers’. Each incubator is managed by one such group that exists of people from large conglomerates (such as Ernst & Young), smaller companies, and companies that started in a *Novacities* incubator. These godfathers bring in their personal expertise by being tutors for the start-ups in the incubators. The *Novacities* ‘network’ is managed by a *Novacities* system that has two main players, the Chamber of Commerce of Lyon, and *Greater Lyon*. The initiator of the system is the Lyon Chamber of Commerce that has its main expertise in start-up guidance. The main partner is *Greater Lyon* that deals with financial and strategic issues.

The Lyon Management School houses the *Innovation and Entrepreneurship Centre* since 1982. This Centre has the goal of ‘contributing to the economic development of the region while favouring the emergence of high performance firms. It provides, on a fully commercial basis, the following programmes:

- 1 Since 1984 it provides the ‘support programme’. Aspiring entrepreneurs, mainly innovative companies, have a 6-9 month long incubation programme, in which they learn how to run a business, and how to develop their idea into a company. This is organised in workshops, with themegroups of 5 potential entrepreneurs. Attached to this is ‘fundamental’ education on finance, marketing and the like, in groups of 15 to 20 people. Thirdly, there is one on one counselling, in which an entrepreneur gets one and a half hour every two weeks with a personal tutor.
- 2 A student support programme is an integral part of the courses at EM Lyon. In the first year, each student is obliged to work on an entrepreneurial project. In the second and third year this is not obligatory, but optional for students.

A new programme is the *Entrepreneurship House* that is not functioning yet, but that aims to establish formal links between the different agencies dedicated to entrepreneurship guidance and innovation promotion, in order to integrate their support activities.

### ***Innovation projects***

*EZUS* is a public limited company, created in 1990, and owned by the University Claude Bernard in Lyon. Its mission is to promote and develop the valorisation of research results from 400 research institutes in Science and Health:

- Computer science;
- Bio-science;
- Dental science;
- Chemistry;
- Physics.

For this aim it works as ‘knowledge broker’. The fifty people in *EZUS* scan the research market in Lyon, which is very fragmented with many small research agencies, for results that may be valorised. They also scan the commercial market for requests for (new) knowledge. *EZUS* acts as a middleman and a consultant between business and university. The goal is to help firms in establishing professional relations with the university. The most important role of *EZUS* is to favour technology transfers and other forms of collaboration (research contracts, services) by actively looking for partnerships between universities and firms. Most of the work for *EZUS* is in the pre-project phase, in the matchmaking between ‘Knowledge’ and the ‘Market’. The end of this phase is a contract between a firm and a research institute to carry out a certain research project, or to sell certain research results to a company, or to let new researchers use equipment of the university for research meant to be used by a private company.

Lyon *InfoCité* is a non-profit organisation, founded in 1996. The organisation was mainly funded by private companies, and it has the primary goal to promote the image of and the companies inside the ‘New Economy’ in Lyon, which exists mainly of companies in Telematics and ICT. *InfoCité* originally had a mixed private and public background, but now it is a completely public organisation. It works closely with the local politics and between 50 and 60 percent of the funding coming from public funds: *Grand Lyon*, National Funds and the Rhone Alpes Region. *InfoCité* has over 100 members, 60 percent start-up and 40 percent established companies. The board has 3 members from private companies, two members coming from the Chamber of

Commerce and France Telecom. The main activities of *InfoCité*, the goals set by *Greater Lyon* and the Chamber of Commerce, are in communication, and on behalf of the members:

- Information by means of a daily newsletter, which is sent by e-mail. Twice a month there is a special newsletter called *Informanique* that highlights events, plans, and agenda's.
- *Purchase club*, which offers discount on external services such as printing, tickets etc.
- Information from outside companies is distributed to the members, and information on the participating companies is communicated outside. This is mainly an unofficial PR function
- *InfoCité* is the main interlocutor between Telematics and ICT sector and Greater Lyon. It gives feedback to the local authorities on what is 'going on' in this sector and what possibilities and problems arise that can be dealt with by public authorities
- *InfoCité* organises trips to events and organises stands on exhibitions. For that reason, companies are grouped into a common image, for example *LyonGame.com*. *InfoCité* finds the funding for these events and functions as an interface between founders and individual companies.
- *NovaLinc* is a coalition of *InfoCité* with the Chamber of Commerce and Lyon *InfoCité*. It is a happy hour in a bar, organised once a month, where all the start-ups can socialise and exchange ideas.
- *Capital Link* is a meeting forum between start-ups and venture capitalist. Start-ups are invited to register and then get an invitation to present their project, meet with venture capitalists and talk one to one. This is open for every start-up, not necessarily a member.

### **Entrepreneurship projects**

The *Practical guide for enterprise creation* lists the many agencies that are active in one or more of the stages in the start-up process in the Lyon agglomeration. *Greater Lyon* identified four (interrelated) fields in which agencies that help or consult start-ups work:

- Projects;
- Validation;
- Creation & Financing;
- Start-up & Follow-up.

Many agencies from many different backgrounds work in one or more of these phases. Because *Greater Lyon* has the impression that a lot can be improved in this network of agencies by streamlining the help, an action plan was written. This action plan (*Grand Lyon*

*création d'entreprises 1999-2001*) is written essentially with the perspective to intensify and support the network building of agencies in start-up guidance. In order to create this efficient network, Greater Lyon set four main tasks:

- 1 Raising consciousness among people about the economic potentials of entrepreneurship.
- 2 Contribute to the organisation of a coherent network in the agglomeration concerning assistance and financing.
- 3 Increase the effectiveness of the start-up assistance apparatus.
- 4 Selective agreements with the agencies in start-up assistance.

Six working groups were formed to reflect on several subjects to set tasks for the implementation process.

- The working group on *Consciousness raising* has the task of coming up with projects that appeal to young people, and make them more interested in entrepreneurship, especially young people at the university.
- The working group on *Information-communication* has the task of making a concrete communication plan to promote the services of the different start-up agencies.
- The working group on the *Assistance and following-up* of new enterprises has to come up with an efficient system of enterprise-creation, to think of new forms of financing and ways to facilitate access to real estate.
- The working group on *Filières and enterprise creation* has to find ways to activate people in small local communities.
- The working group on *Revival of enterprise* has to think of a policy to help re-starters and failures in order to bring them back on the track of becoming an entrepreneur.
- Finally, the working group on *Evaluation* has to find ways to evaluate the policy measures that come out of the other working groups.

These working groups worked from January 2000 to July 2000, and the different objectives that are advanced by the working groups will be integrated in one common mission statement and strategy that will be written during the second half of the year 2000.