DEMOLA

Fit for Baltics?

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An exploration for implementing Demobooster in Baltic countries

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PREMISE

DIMECC has been running their program Demobooster in Finland successfully. As interest towards the model began to grow internationally, collaboration was started with Demola Global to examine the feasibility and potential of the concept if operations were truly cross-border between Baltic countries and the Nordics.

The research was executed with a series of 3 Demola co-creation projects. In the projects both, the current state of Demobooster and local context were assessed separately, after which the findings and insights were converted into concepts suitable for local business environment that would also support cross-border co-operation.

The starting point for each team was similar. Latvian version as an example below:

Horizon: Latvia

Demobooster, a Finnish service for businesses is about to expand to other countries. Could Latvia be a suitable landing spot for it?

Background

Demobooster is a service designed for rapid commercialization by matching companies in need of novel solutions and IT solution producers with a dedicated process: applier companies propose their challenges via Demobooster, and producers pitch their initial proposals to get into a strategic, fixed-term partnership with the applier company.

The current Demobooster service is executed cyclically around the year and it has been operated by DIMECC already for several years in Finland. Now it's time to scale the operations up, would such concept work in Latvia?

Challenge

As nice it would be to copy-paste the model to another country, we're afraid that Demobooster wouldn't be successful in a foreign culture as such. Now, as part of digital economy boosting project DIGINNO, we are interested in exploring and understanding the local environment in Latvia to see if there would be a demand for such service and how should it be modified to fit to the market.

How might the Latvian business ecosystem react to Demobooster: is there enough interest among companies to make the concept sustainable overall? What might be some suitable financing options locally for Demobooster? Would it be beneficial to apply cross-national cooperation between other Baltic countries and what kind of boost might it provide? Regarding cooperation, is it generally acceptable to run the service in English instead of Latvian?

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THE ACTION PHASE OF DEMOLA PROCESS

After agreeing on the project objectives and other practicalities with DIMECC, Demola Global started the team recruitment process by publishing the challenge descriptions in its network. After receiving a healthy amount of applications, a local, interdisciplinary team was built in each project location: Estonia, Latvia & Lithuania.

The actionable Demola process consists of 3 phases, which were carried out in ~2,5 months for each project.

Demola process is built around 3 phases
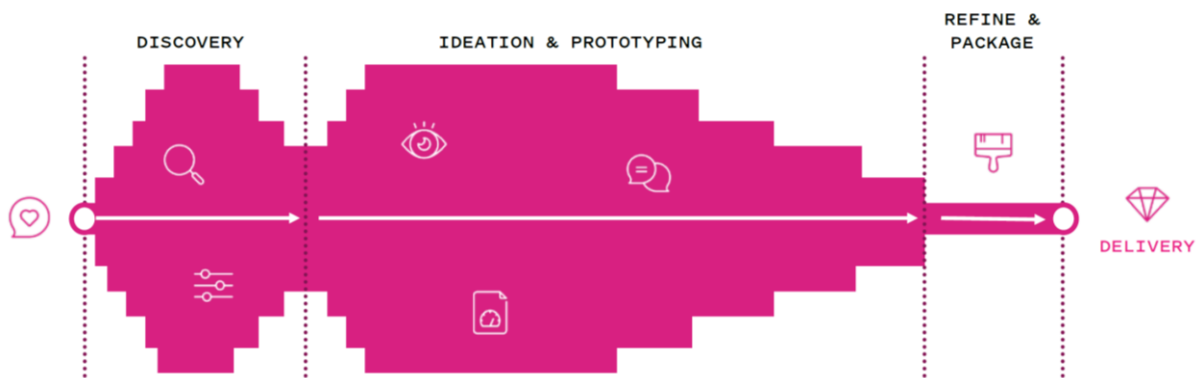
The Discovery Phase is dedicated for understanding the phenomenon and context for the project. In DIMECC's case this meant thorough research on operations of Demobooster in its current format and a deep dive into local business environments. The insight-gathering and sense-making are crucial in building the foundations for the concept creation.

The Ideation & Prototyping Phase consists of saturating the design space with all imaginable ideas, their validation and turning into concept prototypes to develop further during the process through continuously iterative process.

In the Refine & Package Phase, the concepts are packaged in a form that enables educated decision-making on the feasibility and the concepts' further development after the project.

The whole process was facilitated together by Demola Global and local Demola operators. The facilitation's meaning is not to dictate the direction of the projects but to ensure the smooth flow of the process with all necessary process elements and to challenge the team based on their thoughts and findings.

The true value of future-oriented projects is not redeemed by only reading results documentation as a lot is lost in translation. In these projects, a continuous discussion was established with DIMECC and weekly co-creation calls made it possible to generate continuously updating understanding based on the teams' thoughts and insights. To enhance cross-border collaboration also on already established relations in Baltic Sea Region countries, stakeholders such as ITL (Estonia) and LINPRA (Lithuania) were involved in the process.

The projects were supposed to be carried out in person, travelling from Finland to co-create with the teams in person. Unfortunately, due to COVID-19 the activities needed to be carried out completely in online environment. The change ended up being just a minor bump in the road as modern online tools made co-operation smooth and easy. Microsoft Teams was used to host group calls, Slack was used for daily communications, and Google Drive to store and share materials. The elements of personal touch, non-verbal communication and general smoothness that were partially lost in online environment, compared to face-to-face meetings, were replaced with active, documented communication and increased frequency in interactions. The model worked to such extent that it confirms the feasibility of fully online operations even when the travel and meeting restrictions are pulled off.

INSIGHTS AND CONCEPTS

This section covers the general findings and most potential elements of the future of Demobooster from Demola's point-of-view, instead of going into details on each team's work. Each team's deliverables and more detailed concepts are available through DIMECC.

In general, teams found it difficult to relate into problems companies face in their development processes. What made the understanding exceptionally difficult was the fact that COVID-19 situation was kicking in its full effect as the projects were ongoing. Businesses and other stakeholders were hard to reach due to the emergency, leaving teams with little opportunities to observe and interview said parties. However, each team was eventually able to grasp the situation at hand and their takes on the Demobooster concept were truly refreshing.

INSIGHTS

Digitalization

The common denominator for all of the generation-z team members was the need for digital solutions. While Demobooster is currently relying on the power of industrial networking and physical events, the fully offline mode of operations seemed very impractical for the teams.

The power of internet-based activities come especially handy when considering a true cross-border platform. These projects, along with countless other examples, have proved that online environments are very suitable for efficient work. What is important to remember is that digitization, where old processes are simply transferred into digital format, don't deliver the same value as if the whole operational model is redesigned to match with the new means.

Digitalization, if implemented successfully, enhances the scalability of Demobooster. Automated and agile processes enable reactiveness to current demand. Concrete savings ensue if running Demobooster can be converted to on-demand model or if low-demand seasons could be boosted to the required level of participants through lowering the participation threshold.

Digitalization is not a standalone key to success, but it plays a crucial role in each of the delivered concepts as the efficiency-enabling technology.

Readiness of local business ecosystems

Anticipated cultural differences were the main reason to do the exploration in Baltic countries with Demobooster in the first place and indeed, they cannot be neglegted. R&D&I field investments seem to be subjective matters depending on the country, industry, and individual perceptions. It is possible that the current operational model of Demobooster is perceived very differently to the stage where parties are far away from each other.

Whereas Demobooster has been adapted to Finland's long background in engineering-based business successes, Baltic countries simply are different. There might not be a need to have different services to each market, but to be successful, regionally understandable value propositions and business language have to be considered. In the end, the different business environments seem to have the biggest impact on the nature of activities: What kind of problems are presented by the applying companies, which are the conditions of long-term commitment and how to protect IPR in a novel way of working with other stakeholders.

Lowering the participation threshold

Demobooster's current operational model with prepaid participation fees to get services were seen as invalid when considered through the lenses of new generation and novel business environments of the Baltic countries. The development of B-to-C services acting on subscription-based models provide more flexibility for customers, easing the initial purchase decisions.

Whether the less-risky approach is achieved through free trials or back-loaded payment structures is not relevant, but the current model was seen as a hard pill to swallow with all its novelty and uncertainty.

Collaboration to enhance inclusiveness

Student teams' background as individuals about to enter their working life might have influenced their perception on participation. Whereas the current model of Demobooster relies on B-to-B interactions throughout the process, each team played around with the idea of individuals taking part as well. Said individuals could work independently, form teams between multiple individuals, or team up with some companies to provide feasible solutions for given challenges.

If more diverse participant pool was enabled through novel participation mechanisms, would it be easier to spread the reach of Demobooster also to other industries and solution-providing possibilities would not be limited by single companies' capabilities or resource allocations.

CONCEPT ELEMENTS

The following presents some of the most prominent elements identified to be incorporated in Demobooster in the future. Rather than choosing one concept to rule them all, combining various approaches might be a key for a complete service portfolio.

Fully digital, highly scalable Demobooster platform

Meeting people physically has its unrivaled benefits, especially in business context, there is no doubt about it. However, if Demobooster's everyday operations and basic functionality were transformed into online environment, would it enable vastly more efficient service that could be supplemented with events where physical interaction takes place.

The online platform revolves around highly structured and autonomous customer process prior to the actionable phase of the Demobooster. Signing up, designing a challenge and publishing them, and providing solution ideas are initially done without Demobooster staff intervention, after which the bottleneck consists of marketing and suitable reach.

Novel, tailored solutions introduced with the online platform are intelligent rating system, which builds up participants' reputation as the platform operates, partner integration with research organizations and universities to cover broader needs of customers, and virtual exhibition for sharing the results.

Based on the team's approximations, such online platform might host a few hundred demo cycles throughout a year. Along with the planned subscription model, the desired effect would be enhanced volume as a drastically cheaper pricing for participants lower the participation threshold dramatically.

A centrally-operated Demobooster platform would provide a fertile environment for effective cross-border activities with great inclusivity towards all interested companies in Baltic Sea Region and even beyond.

Operation through established local partner

Partner-operated Demobooster was envisioned in each of the projects, but the most prominent, novel and concrete concept was provided in Latvia. As per the team's research, open-market Demobooster was generally seen as too expensive and uncertain for local business ecosystem, alternatives needed to be explored.

The Latvian team took their concept of operator with intrinsic motivation to a co-operation discussion level with Latvian Chamber of Commerce. LCC has a few thousand member companies, thus commanding a natural sourcing channel for participants. As their motivation is not to optimize revenue but to provide relevant services for their members, the big obstacle of financial feasibility does not play such a large role in their context.

Similar actors could be identified also from other countries and the concept might run online or it could be closer to local franchising. Nevertheless, repeatable, and feasible model with such partners seems like an excellent option for international operations.

Hackathon-based sprints in events

Utilizing hackathons as a part of the Demobooster process was mostly raised up in the Hackabooster concept where hackathons would be organized as part of fairs, conferences, or other similar events. Hackathons were claimed to bring more dynamic touch to Demobooster and intriguing additional content to events.

A major benefit of incorporating Demobooster to existing events is the natural reach of relevant audiences. The event-induced participants might be very susceptible to join the action and themed cycles of Demobooster could be tailored to suit the specific needs of attendants.

The event-based concept could prove to be too heavy as the only standalone mode of operations. However, its potential could be utilized as a power move to support everyday operations, as the coexistence of multiple variations of Demobooster is a completely valid option.

NEXT STEPS & CONCLUSION

The original purpose of the series of Demola projects was to find out whether Demobooster could function with certain changes in Baltic countries and how the cross-border element could be introduced. While teams were able to provide an insider view on each respective business environment and how to adjust Demobooster to fit in it, its current process was exposed and requires modernization to be successful in an upscaled format.

A soundly structured base operation stack running on an online platform would secure consistent service experience in various environments, enabling more advanced and customized activities to take place by the facilitating organizations. A frequent, stable, and more flexible to kick off concept would also ease the participation. If such concept was combined with marketing that exists where the customers already are and which utilizes modern wide-reaching means, there would be a fruitful ground for continuous flow of customers.

As next steps, a more online-leaning approach could be tested with current Demobooster customers to find out if it resonates among them. At the same time, discussions should be continued with local stakeholders in the Baltic countries to find a repeatable, easy to set-up model. If successful, the future of Demobooster could be designed together with said stakeholders and MVP level service might be up and running in Spring 2021.