



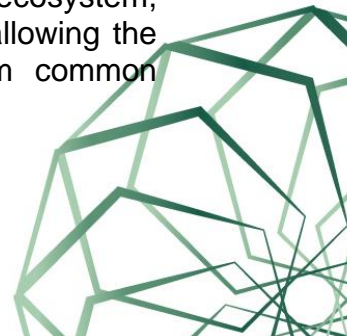
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**COSIMENA's Entrepreneurial Workshop
"From Ivory Tower to the Lion's Den"
September 28, 2019
Long Report**

Within the scope of COSIMENA (Clusters of Scientific Innovation in the Middle East and North Africa), the DAAD Regional Office in Cairo brought together researchers and technology transfer officers from seven universities across Egypt, in addition to the German Jordanian University (GJU) from Amman and the Philipps-Universität Marburg from Germany, programme coordinators from non-profit startup support organizations and founders of local startups to strengthen the knowledge transfer between industry and academia and promote entrepreneurship in Egypt through a three-part workshop titled "From Ivory Tower to Lion's Den" on September 28, 2019 at the Zamalek Hilton in Cairo.

The Ivory Tower and Lion's Den metaphors, linked to academia and the cutthroat world of startups respectively, pose a series of questions to the audience: how do you solve the real-world challenges entrepreneurs face with the research-focused teaching traditionally provided by institutions of higher education? Can universities address these obstacles and develop strategies and partnerships to promote entrepreneurship and further develop technology transfer in Egypt? What are the needs of the labor market and is there room for cooperation with universities to establish a practice-oriented approach to higher education? What is the role of universities and technology transfer offices (TTOs) and what challenges do they each face to become productive? This workshop builds upon a series of previous entrepreneurship and innovation culture conferences held by the DAAD to answer these essential questions and further promote the growth of the startup support scene in Egypt.

The morning opened with a welcome address from Isabell Mering, the Director of the DAAD Regional Office Cairo, who introduced COSIMENA as the DAAD Cairo's lighthouse project, which is aimed at building clusters of scientific innovation in the Middle East and North Africa. She presented the topic of entrepreneurship in Egypt, noting that innovation remains a buzzword of the Egyptian government's 2030 sustainable development strategy, which believes that increasing investments in science and technology is key to sustaining growth and improving the quality of life. She then introduced the workshop as a result of numerous initiatives taken by the DAAD to connect academia and industry on technology transfer in universities, noting that Dr. Michael Stephan from the Philipps-Universität Marburg has been a frequent partner with the DAAD in cultivating and fostering innovation. Before ceding the floor to Dr. Stephan, she added that by building a platform that bridges academia to industry and brings decision makers and various societal and governmental stakeholders to the table, this workshop would allow startups to give feedback and suggestions on the role of universities and ways to grow this ecosystem, while bringing Germany and the MENA region into these discussions and allowing the participants to realize the possible synergies that can be created from common challenges.





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Dr. Stephan started by stressing the importance of this workshop, highlighting entrepreneurship support as a key role in tackling many problems Egypt faces, including youth unemployment and economic growth. The government has responded to this call to arms, he added, noting that technology and knowledge transfer, including entrepreneurship support, has been defined as an explicit goal of Egyptian universities for six years now. Recalling back to a June 2013 DAAD conference, he noted that most higher education institutions in Egypt had just launched their own technology transfer offices and had only just begun to operate as startup support entities. Today, the startup scene has exploded in the country; at least 42 technology transfer offices (TTO) that engage in startup support have been established, with varying degrees of success, in universities across the country, according to statistics from the Ministry of Higher Education and Scientific Research (MHESR), along with several non-profit organizations, NGOs, incubators, and governmental organizations. The startup ecosystem faces a new problem, he mused: a lack of transparency. With so many players and initiatives operating in the startup support field now, the need to collaborate and share knowledge and experiences between these institutions and startup firms is an essential next step in the development process.

After a round of introductions, the first panel, which featured an interactive discussion between established TTOs and business incubators in Egyptian Universities and the MENA region, took the floor to discuss best-practice examples for the implementation of sustainable entrepreneurial strategies at higher education institutions in the region, with the goal of highlighting different approaches and methods to establish practice-oriented programs to foster entrepreneurship education. Entrepreneur and Philipps-Universität Marburg research associate Youmna AbouOmar led off the discussions by talking about their joint entrepreneurship support program with the German University in Cairo (GUC) called “Imagine”, which was founded in 2013 as a mixture of a startup incubator and an accelerator. Ms. AbouOmar presented the one-year, DAAD-funded programme as a way to promote and develop entrepreneurial skills among students by allowing them to participate in a three-phase annual cycle to turn their ideas into real startups. She mentioned that the two-time award-winning programme functions more as a “virtual incubator” as it does not require a proof of concept or an industry orientation from prospective startups, but rather utilizes best practices by providing Egyptian entrepreneurs with training and workshops, access to a trusted support network, mentoring and coaching sessions, an online platform to keep the community together for additional knowledge and experience sharing, global exposure through trips to Germany to meet with local startups and to interact with the entrepreneurial ecosystem in Germany.

Following the presentation, other panelists from MENA universities, including the German Jordanian University (GJU), Assiut University, Nile University, and the American University in Cairo (AUC), described how their programmes functioned. Technology transfer officer Asmaa Ahmed Youssef from Nile University started by sharing her university’s goal of building a sustainable entrepreneurial ecosystem to support startups and small and medium-sized enterprises (SMEs) to support the national economy. She added that their five-phase initiative, which is sponsored by the Central Bank of Egypt,





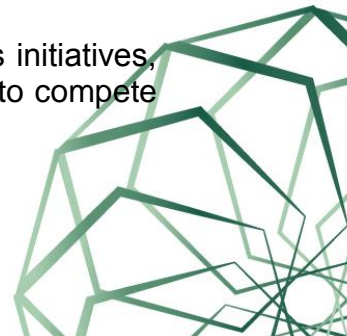
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works in congress with several governmental, private, and international organizations, including the Ministry of Planning and the International Labor Organization (ILO), and provides five industry-specific incubators, which include the engineering, design and software development fields, to its entrepreneurs.

Dr. Munjed Al-Sharif from the GJU spoke next, highlighting the unique structure of his university, which requires each student to spend one year in Germany as a pre-requisite for graduation, with half of that year spent at a partner university taking classes and half at a company relating to their specialization. He also highlighted his university's Office of Industrial Links (OIL) which provides hands-on and applied teaching methods and practical training with industry partners. The office, which also builds up and facilitates sustainable university-industry partnerships through special business events, lectures, workshops, and company presentations, served as the university's entry point into the innovation and entrepreneurship scene. He added that because OIL doesn't have many experts or employees, it outsources many of its programmes to Injaz, an NGO that strives to accelerate the ability of Arab youth to contribute to the economic development of their nations by becoming business leaders and entrepreneurs in their local communities through relevant, hands-on training and mentoring programmes, with local business leaders serving as teachers and role models. He added that two months ago however, the university established a Center for Innovation and Technology Transfer, which will provide the university with more power in creating its own start-up programs that will focus on commercialization, financing, incubator development, awareness coaching, and training for its students.

Dr. Magda Ali from Assiut University then presented her programme, which started in 2014 with assistance from USAID and the Imagine programme and over time has evolved into a summer school initiative that offers a two-week training bootcamp for not only students, but also employees and professors in the university. Dr. Ali emphasized that the current programme, which focuses on support for entrepreneurs outside of the Cairo spotlight, doesn't impose age or any other restrictions, adding that its main goal is to seek out risk takers and people with an entrepreneurial mindset. This initiative aims at getting participants to start thinking about what a problem is and what a solution is, but with the focus remaining on the solutions. With that mindset established, the participants work with the university step by step on how to create a business model, how to work as a team, how to fundraise, and most importantly, how to separate participants from their own ideas. Clarifying the statement, she said that most participants come into the programme with a very rigid idea that they think they are the first to have, and it is one of the programme's main goals to remove this thought of being the first. She concluded that the project also invites area experts, including lawyers, accountants, and business leaders, to come and work with participants, but especially highlighted the importance of having previous entrepreneurs coming in and sharing their success and, in particular, their failure stories, which provide an integral insight in learning why things fail and how to avoid such situations in the future.

Finally, Ahmed Ellaithy from the AUC spoke about several of the university's initiatives, including the Venture Lab, a classic accelerator that allows anyone in Egypt to compete





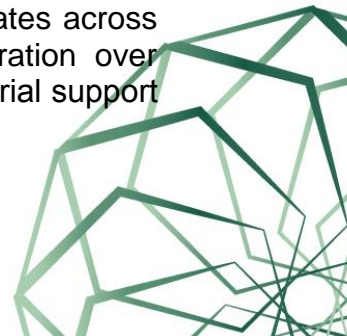
Economy Cluster

for selection. He said that the programme, in terms of impact, has been wildly successful, with over \$900 million in funding provided to some 350 companies to date, with bus-sharing app Swvl among its biggest success stories. However, he also said that it has not been a success as a revenue generator for the university yet, as it is not currently clear with new laws if the university can own equity or share in revenues being created by their startups. He added that the AUC's business school, which runs the entrepreneurship programme, plays an active role in developing the entrepreneurship sector in Egypt through offering a minor in entrepreneurship to all university students and renting out the Greek Campus to various startups.

The second panel, comprised of representatives from several Egyptian universities including Zagazig, Helwan, Alexandria, and the Egypt-Japan University of Science and Technology (E-JUST), assessed the challenges and opportunities that Egyptian universities are facing to promote entrepreneurship in Egypt while providing an interactive exchange aimed at developing strategies to overcome these challenges and cultivating new partnerships to enhance institutional capacity for entrepreneurial activities.

Dr. Mayada Belal from Helwan University kicked off the discussion, highlighting that entrepreneurship is not a stated goal of her university, which often causes the limited funding that's available to be funneled into salaries and other departments and initiatives instead of entrepreneurship. Dr. Mahmoud Sitohy from Zagazig University echoed those concerns, particularly about the lack of funding, while adding that administrative regulations in Egypt make it difficult for entrepreneurial programs to thrive. Dr. Atef El-Shabrawy from E-JUST provided some contrast to traditional Egyptian higher education institutions, highlighting the "entrepreneurial university" model his organization uses. An entrepreneurial university, he said, is a place that collects value, whereas a normal university collects graduates. He then outlined what makes his university different, which starts with having an entrepreneurial vision from the top. He followed that up with the point of experience, noting that all the staff have at least 15 years of private sector experience, before talking about the importance of resources and raising awareness. He also cited the importance of impact, which he defined with the question "if the university shut down tomorrow, how many people would be affected?", and the need to partner with businesses. Another key point he made was how his university offers not only a technology incubator and a startup accelerator, but also critically a degree and courses in the field. Those courses, he added, should be teaching a mindset and stages of thinking, not just entrepreneurial skill enhancement, noting that the syllabus should itself be part of the startup ecosystem. He did concede that his model has some inherent obstacles, which included working through competing visions on how to structure that syllabus and making sure the heads of the university are on board with the plan.

The final panel, made up of local entrepreneurs and industry representatives, examined the role of funding and development organizations in the Egyptian startup scene and evaluated effective measures to strengthen the knowledge transfer between industry and academia in Egypt. Sameh Ibrahim from Enpact, a German NGO that operates across the world, opened the panel with comments about the value of collaboration over competition in emerging markets and outlined the organization's entrepreneurial support





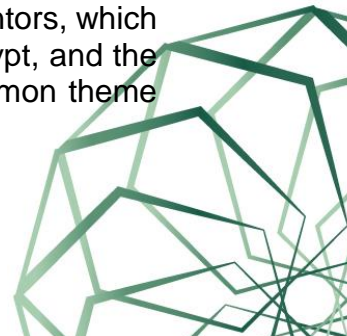
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system, which includes a nine-month mentoring programme for ten founders from ten startups in their scaling stage who are looking to penetrate new markets, and a data lab, which provides entrepreneurs with city-specific data, including information on local, regional, and international indicators such as internet speed and number of incubators. He added that the organization provides entrepreneurs selected for the programme with monthly salaries, workspaces, and mentorship from local market experts to allow them to leave everything behind and focus completely on their businesses.

Mohamed Abdel Gawad, the founder of a local startup called CUP, spoke next on the challenges facing his startup. He said that, despite being a registered company with ample funding, it was impossible for him to find a university that would grant him use of their laboratory to conduct research necessary for his business. He expressed his frustration that all the tools he needed were available in Egypt, but that without explicit permission from the minister himself, nobody can use these resources that the country possesses. He added that the startup ecosystem in Egypt is heavily reliant on networking and recognition, which poses a challenge for new and lesser-known entrepreneurs. While universities provide an important introduction to the startup ecosystem for fresh-faced entrepreneurs and have the facilities necessary for research and innovation, and while institutions like Enpact provide valuable support and guidance, many funding sources, such as Misr el-Kheir, are reluctant to fund lesser-known startups. Universities, for their part, are also unable to share their facilities without governmental approval, leaving countless labs empty and resources untapped. Bureaucracy, cash flow, and the lack of easy access to information continue to be roadblocks for entrepreneurs, he added. The country has a lot of the resources and support that entrepreneurs need, but much of it is either inaccessible or simply not known about on a wider scale. Following his comments, some university stakeholders, such as Dr. Abdel Sallam from Zagazig University, reached out and offered their university's labs and technical assistance to CUP.

The panel concluded with remarks from Reham el-Masry, an entrepreneur from Fernwish, who highlighted the challenges in finding local talent with the experience to help these startups grow. She talked at length about how her company had to look outside of the country to Silicon Valley to find mentors and how they had to import interns from India and Pakistan for support. She also echoed Mr. Gawad's frustrations about the lack of information regarding opportunities in universities. She specifically cited the Itac program, which gives funding up to EGP3m if you have a professor that can supervise the R&D of a tech company that is about to publish a paper. In the case of her startup, the baseline qualifications for funding were met, but she never realized the opportunity was there. It's great that some of these opportunities exist now, she said, but communication needs to be improved and information needs to be more readily accessible for it to be useful. She also shared Mr. Gawad's concern about the bureaucracy surrounding the process, citing that it will take her five months to go through the application process for this program, which puts her company behind the figurative eight-ball.

Aside from the challenges in finding qualified local talent and experienced mentors, which was repeated several times as a major obstacle to technology transfer in Egypt, and the lack of adequate funding available for startups and universities alike, a common theme





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across the panels was the lack of structure present in the current system and the need for an entity, possibly governmental, to create a channel between universities, NGOs, and entrepreneurs to help eliminate the bureaucracy and roadblocks that these stakeholders face and to provide easy to access information about incubators, university programs, and other mentorship opportunities available to entrepreneurs. On the university side, professors highlighted the need for entrepreneurship to become a stated goal of universities, which would allow for funding to be more easily funneled into programs. Universities also need a respite from governmental regulations and access to industry leaders who have an interest, and more importantly, a background in entrepreneurship. Industry, it was said, needs to foster trust with the universities and show a willingness to explore the potential rewards inherent in cooperation. Despite the challenges that remain however, technology transfer activities and start-up support has progressed significantly over the last five years in Egypt since the first DAAD workshop in 2013. A baseline level of trust has been established between the stakeholders, a key hurdle that was highlighted in the initial DAAD conference and while there isn't a simple success formula for start-up support, there are several best practices that we can learn from. What is essential is to create and cultivate an entrepreneurial spirit and culture not only among students, but also among the faculty members. We've learned that, if properly set up and managed, incubator and accelerator programmes can play a critical role and that workshop formats like summer schools and boot camps are helpful for students to learn how to work as a team and develop business models.

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(Report by Mr. Julian Redman)

