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The AS-FABRIK project Zoom-in n 3



1. Introduction: reinventing industrial entrepreneurship in Bilbao

Bilbao is looking to renew its industrial sector. Industrial firms, making up the backbone of the regional economy in the Basque Country, face the challenge to adopt digital technologies and create new service-based concepts; This asks for new types of entrepreneurship, and a deeper embeddedness of industry in an innovation ecosystem with providers of relevant services, knowledge, technology and education.

For this purpose, Bilbao AS-FABRIK (BAF, in short) is currently under construction. BAF should become an innovation, education and entrepreneurship hub for the industry and related advanced services. It will be a place where companies meet each other, where they can explore and develop new partnerships, where new business ideas will be born and nurtured, and where training activities take place, all under one roof. It should become a hotspot for the industry 4.1/KIBS community, not only in Bilbao but the wider region.

The centre is being built in the heart of the Zorrotzaurre Peninsula, a former industrial area (including residential and retail functions) that is being transformed into a mixed innovation quarter in the coming decades. The BAF will be located in one of the renovated old industrial buildings. By January 2021, the first two floors are expected to be ready to use; the spaces will be transferred to Mondragon University, that will be the main responsible partner for the exploitation and programming of the BAF.

The first floor is designed to host the educational activities; it will become a centre of interdisciplinary education for students from Mondragon University, coming from 3 different faculties. The ground floor is set to become a home to other AS-FABRIK activities, such as a dedicated space for incubation/start-up support, and the formation of partnerships and communities. There will be a demonstrator, an event space, and a fablab to tinker with Arduino, 3D printing, new materials etc.

To learn more about the concept, for this zoom-in report I interviewed Luis Berasategi from Mondragon University. He is the driving force behind the concept of Bilbao AS Fabrik (BAF), and developed similar innovation centres in the recent past.

2. Interview

Luis, there are so many incubators and co-working concepts; what makes BAF unique?

BAF is basically the newest part of the expanding entrepreneurship ecosystem in Bilbao (figure 1). In several districts, we already have entrepreneurship hubs, but this is a special one: the unique thing is that we put industry and related education and services under one roof. This gives a clear focus, and will hopefully lead to new synergies and entrepreneurial ventures.

Figure 1 Spaces for entrepreneurship & Innovation in Bilbao



Do you hope to foster many start-ups there?

Yes and no. We will NOT try to imitate the Silicon Valley model of venture capital backed start-up teams that mainly go for a quick exit on the stock exchange, or, as you can call it, “take the money and run”. We think that that model is not sustainable, and it does not fit in the industrial culture of the Basque country. Of course, we foster new start-ups, but we expect most from the innovative capacity of existing firms and advanced service providers that already operate successfully. There are so many good and innovative ideas there, but companies often find it difficult to realise them, or find the right partners (service firms, or knowledge institutes) to work with; or they are simply too busy with their current activities to innovate for the future. Also, there are small and medium sized providers of technological services, which have ideas of how to implement their own solutions (some of them specific technological platforms) rather than selling expensive hours. What we need more than start-ups is a start-up mindset: exploring new opportunities, validating them quickly, acting fast and playful. This can be done within companies as well, with new internal venture teams. And what we need more than new entrepreneurs is new businessmen and women. The ability to transform ideas into profitable business is essential, and here, startups and existing firms can be very complementary, we need to bring them together.

So how can you promote innovation then?

Well, the main thing we want to do in BAF is to create, under one roof, a community of innovators – related to industry-, that will try new things, help each other, innovate together and validate good ideas quickly. This last point, quick validation, is very important, because not every good idea works, and the sooner you find out, the better. New key technologies such as virtual reality (VR), Artificial Intelligence (AI) and Internet of Things (IoT) have a lot of potential, in theory, to boost innovation in industrial firms. But you need to scrutinize new ideas, see and test if they really work if you implement them in your business. This process of validation is essential but often overlooked. Also, some new ideas are not so new, but have been done by others already. Once, I saw a startup that had worked quite long for a new solution, but then it turned out that it already existed in the market! A waste of energy that could have been prevented if they would have been part of an innovation community where somebody would have known this.

What did you learn from you experience with other innovation/entrepreneurship hubs in Bilbao?

In 2012, we set up the BBF, a special education/innovation centre in downtown Bilbao. It offers an alternative type of university education, in strong partnerships with companies, with heavy emphasis on student entrepreneurship and practical innovations relevant for industry. Over the years, we learned how to build an ecosystem of startups, growing SMEs, business associations, education, and established firms. BBF does not look like a traditional university; it has lecture rooms, but also prototyping spaces, network spaces, and labs. BBF organises 300 events per annum, creating communities between actors. This setup serves as inspiration for the new BAF building. We learned that open spaces are key, having as few walls as possible; create an open and curious culture where people drop in because of the vibe and the interesting things that happen there.

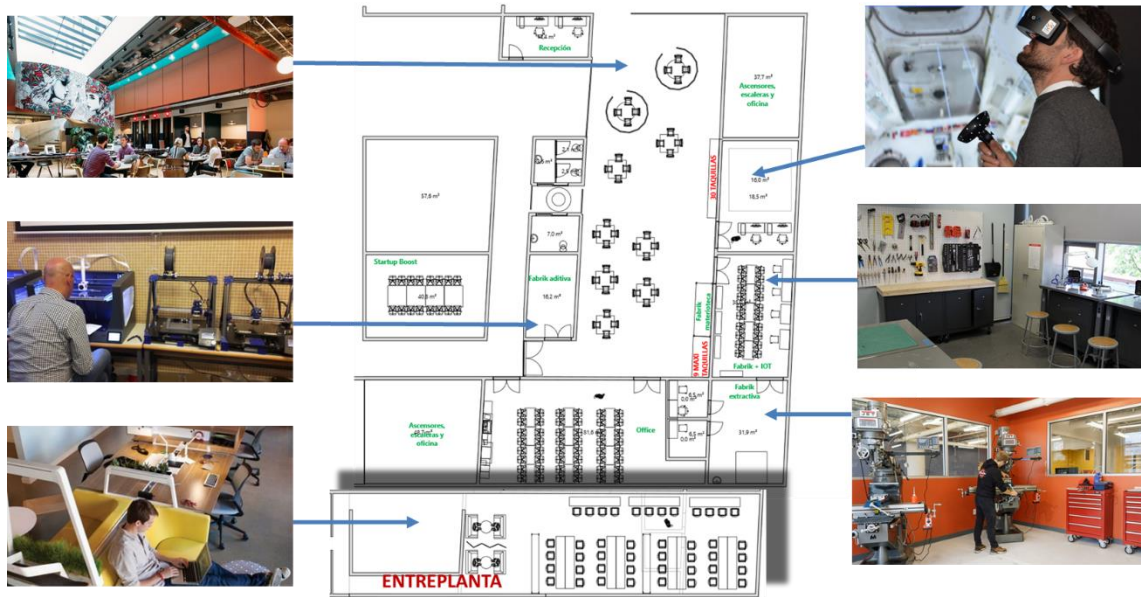
What is your dream how BAF will promote innovation?

My dream is that BAF is the homebase of a lively and diverse community where people from different realms –industry, research, students, startups, service and IT firms- start to talk to each other and work together. We need more crossovers and “new combinations”, that is the path towards innovation. Hopefully, these people meet at our events, or when they bump into each other in a lab, or in front of a machine, and then start talking, exploring, and helping each other. Also we hope to bring students closer to businesses, and not only beta and technical sciences, but also students and researchers from behavioural disciplines and the arts, because we need to become more interdisciplinary and imaginative to become truly innovative. It would be fantastic if students from the art school nearby would feel at home here and contribute to the ecosystem. I think they too are interested to use our facilities, for instance for prototyping. In the end, actually, my dream is to see many, many people there, from different backgrounds.

It seems not easy to manage a facility that will be used by education, business and education, plus events, plus office spaces for freelancers etc; what is your approach?

Well, we have a number of facilities and hardware, such as 3D printers, Arduino stuff, virtual reality equipment and so on, and we are now developing a concept for who can use the facilities and under what conditions. For now, in the mornings we want to reserve the equipment for the four educational programmes from Mondragon University that will be hosted in the building. Then, during the afternoon and evening, others like companies or professionals can book them, including smaller student teams who might need the equipment for project or thesis work. We consider to introduce some kind of community membership of BAF: if you are a member, you pay a fee and then get attractive rates for using the equipment. Then, elsewhere in the building, companies or projects can rent rooms. Permanently but also temporarily, in a flexible way, to facilitate innovation projects.

Figure 2 An impression of the facilities



What is the biggest risk in your view?

The biggest challenge is to attract people to the location. The BAF facility will be located in an area that is under construction; it is not in the city centre but on the Zorrotzaure Peninsula, in a former industrial zone that is being redeveloped in the next decades into a new part of town. But currently, transport connections are far from perfect –especially public transport- and people will not spontaneously “drop by” in the years to come, because the area is under construction. That means that our events must be very attractive, and marketed very actively to attract audiences. We will work hard to achieve that!