

New trends in disruptive innovation



Over the last couple of years, we have witnessed the emergence of a new form of innovation that no longer takes place within large corporates, even the market leaders. More disruptive and game-changing, these innovative models grow outside the traditional environment of corporate R&D departments and are increasingly developed by young start-ups. This tendency has resulted in a higher proportion of trade sale operations led by established market actors willing to capture the next disruptive trends and to broaden their knowledge. Multinational actors such as Google, Cisco and Microsoft have already engaged in such strategies, now referred to as Corporate Venture or Open Innovation strategies. In the years to come, we thus expect to see more trade sales, although successful IPOs realised in recent past suggest they are unlikely to disappear.

Europe has proven it was able to produce champions in numerous sectors of the nascent economy and will continue to do so. Some sectors are mature and have already known a great success: even if it may be on a declining trend face to the recent rise of market places, e-commerce continues to drive the region's attractiveness thanks to the achievements of companies like the French Venteprivée. Europe has become legitimate in the recently-established sector of Fintech, but also in the growing Insurtech market, with start-ups such as FinanceFox or Kantox that are gaining momentum in the finance industry. In the meantime, other sectors are emerging at a high speed rate. In the digital dimension, European companies rank among the most innovative in areas of Big Data, SaaS publishing, collaborative services etc. The Smart City sector also benefits from good dynamics, with lots of entrepreneurs addressing the issues of transportation, energy and urbanisation through

innovative solutions. Finally, more than ever Europe is well positioned in the large sector of Health, which is expected to be deeply disrupted by digital technologies in the future across all its dimensions: prevention, diagnosis, treatment, monitoring etc.



Europe presents multiple opportunities in **Digital**.



Countries like the UK or France have demonstrated that serial entrepreneurs were not an American specificity. Building on its historical cutting-edge, high-value added industries and its leading universities, Europe is promoting an entrepreneurial climate where serial entrepreneurs continue to loom. This generalisation of the serial entrepreneur phenomenon all over the different countries of Europe, especially now in Germany, is a trend that is definitely accelerating. The region is

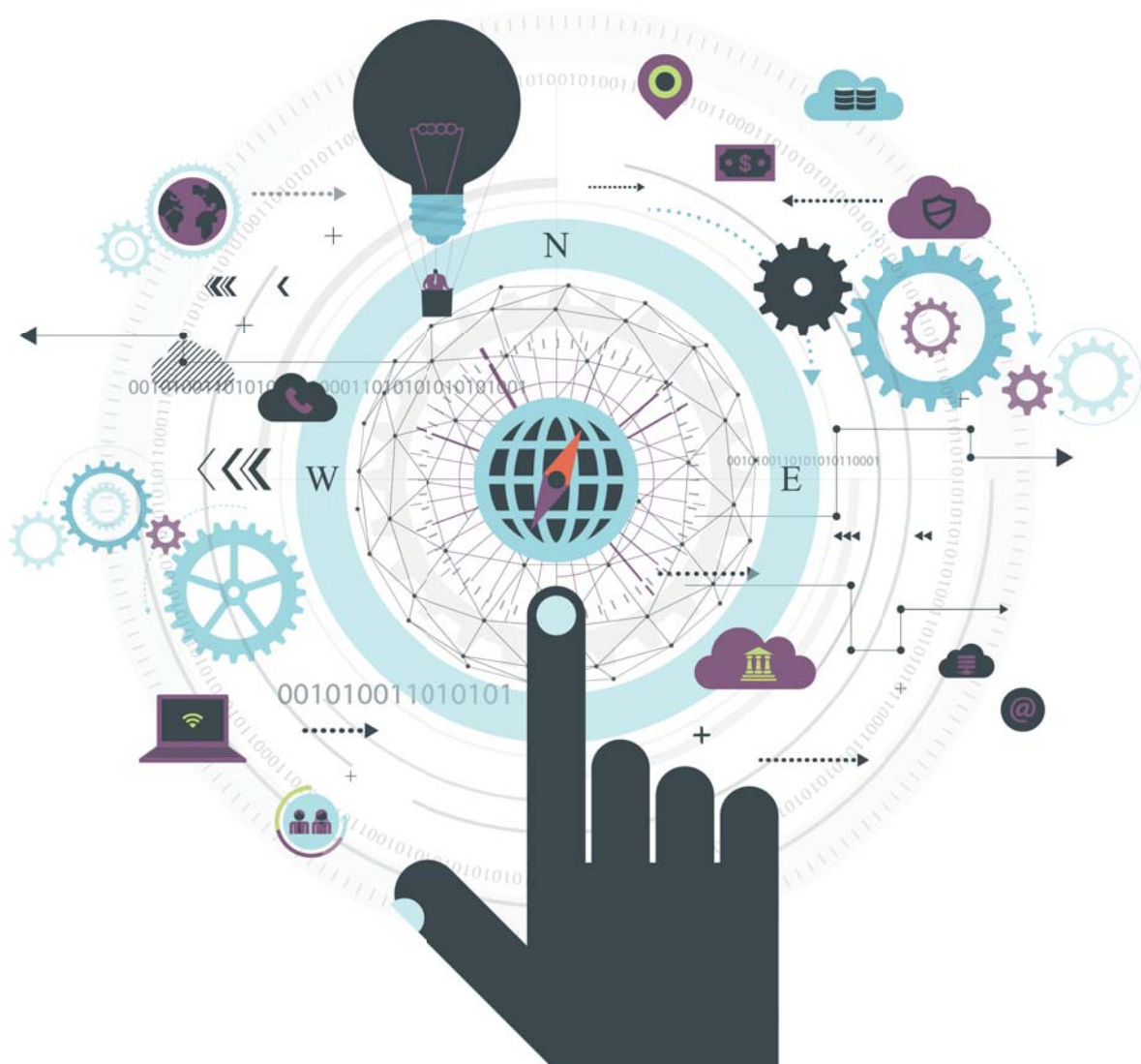
full of existing, successful pioneers who are now part of this ecosystem and inspire the new generation of younger entrepreneurs. This exciting environment is even enriched by a growing population of serial managers standing next to entrepreneurs. CFOs, business developers, growth hackers... who have succeeded in previous ventures are many to remain in what has become a pan-European community of entrepreneurs.

Recent years have clearly demonstrated that there is no such thing as a local market for innovation any more. Europe intends to create international business models that go from the status of "born in Europe" to that of "global player". And this growth cycle is getting shorter and faster: in a globalised world where borders tend to fade away more every day, young and innovative companies have to consider global issues sooner and sooner after the first steps. Beyond going to the US market, they urgently have to ensure market penetration in the dynamic regions of Asia, especially in China where most of the opportunities have not been revealed yet.

Europe is full of opportunities for Venture Capital investors in the digital space. The innovation market is now more mature, more structured. Digital innovation is on the road to reach all the sectors of the economy, which have to renew and rethink themselves constantly: the remarkable development of health (e-health) and finance (fintech) alone already constitute two very convincing examples. With talented entrepreneurs, strong networks and innovative business models, the

European ecosystem already encloses the next Uber or Airbnb. However, supporting the bests of them has become challenging: it requires more money, more often, and more time to help them achieve their high-growth potential internationally.

In this promising environment, financing innovative start-ups in Europe is financing the future.



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