

DeFINE

DEVELOPING A FASHION-TECH
INNOVATION NETWORK FOR EUROPE



Good Practice Guidelines and Recommendations to the Fashion-Tech Industry

*Insights and learnings
from the DeFINE project*

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1. Introduction

Fashion-Tech is an emerging sector resulting from the intersection and convergence of all stages of the fashion supply chain with disruptive technologies. Since the early 2000s, the sector has been evolving from online fashion retail platforms and mobile apps through to today where we see technology enhanced wearable products integrating smart-textiles, flexible electronics, smart and biometric sensors, new uses in fashion for innovative materials such as graphene, immersive technologies and digital platforms used for showcasing and selling product, and advanced prototyping and smart manufacturing enhancing production processes.

(DeFINE DoA, 2018)

[DeFINE](#) is three year (2018-2021) collaborative project co-funded by the European Commission's COSME programme which aims to support the fusion of cutting-edge technologies and innovation with the European fashion and design industries. Over the last three years, the project built a network of fashion-tech start-ups, SMEs, incubators, accelerators, financiers and investors through dedicated events, online platform and social media channels, it provided mentoring programme sessions to innovative fashion-tech start-ups and SMEs, and promoted knowledge sharing and networking activities for the benefit of the whole fashion-tech European Community.

The current document aims to collate and review insights and the learnings gained from the DeFINE project implementation and the delivery to extrapolate best-practices for the project replication/transferability. Some sections of the current document are entirely or partly extracts of Deliverables submitted to the European Commission, specifically:

- Paragraphs
- Chapter 4 contents are extracted from the D5.1 – “Files of new products/ prototypes solutions developed by the mentoring programme”
- Chapters 5 and 6 contents are extracted from the D8.1 – “Good Practice Guidelines and Recommendations to Industry”

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2. Methodology

This evaluation used an inductive approach and a variety of data collection methods such as surveys and semi-structured interviews, observations and case studies. The evaluation included tracking indicators on the different types of support provided by DeFINE to assess the effectiveness and impact of the activities delivered through the project and to uncover any unmet needs for support and barriers for innovation and growth of fashion-tech start-up and SMEs. These types of support include information sharing, networking, investment awareness, community growth, collaboration, mentoring and innovation support.

3. Context Analysis

3.1 Gaps and unmet needs in existing European Fashion-Tech support provision

Here are some of the gaps and unmet needs in existing Incubator and Accelerator support provision, which surfaced in the interviews with start-ups and SMEs. These businesses have experience of incubation or accelerator programmes and discussed their expectations from DeFINE workshops and the need for specific and strategic support.

- Gap 1 - Focused and continued business mentoring support
- Gap 2 - Preparation, expectations and intensity as effective business training methods
- Gap 3 - Funding guidance
- Gap 4 - Pitching to investors
- Gap 5 - Introductions to contacts and industry support

3.2 Fashion-Tech support network: enablers for pre-seed start-ups and SMEs

This section presents the SME participant expectations of the key support activities provided by DeFINE, to enable the growth and development of the business in the early, pre-seed stage. These insights present opportunities to refine the support activities to sustain and grow the network both during the project and afterwards through replication.

- Enabler 1 - Expert feedback on new Fashion-Tech concepts
- Enabler 2 – Strategic business advice at each stage of development
- Enabler 3 – Share Fashion-Tech industry knowledge and future insights
- Enabler 4 - Potential to collaborate
- Enabler 5 – Networking for strategic development

3.3 Challenges for Fashion-Tech innovation: DeFINE start-up and SMEs interviews

Amongst the challenges for Fashion tech innovation that emerged during the interviews:

Dimension	Challenges for entrepreneurs
Strategy for Innovation	Thinking about IP from the very outset
	Defining clearly the value proposition
	Biased widespread view of fashion as a sunset industry
	Industry insights
	Retaining customers
	Problem-solution fit strategies
	Business model validation
Culture	Time management
	Working with large retailers
	Getting access
	Finding the right connection
Internal Resources	Lack of adequate IT skills
	Lack of adequate business skills
	Lack of a combination of business and IT
Funding	VC funding is less developed in Europe
	Connection with the investors

3.4 Opportunities for Fashion-tech innovation: DeFINE start-up and SMEs interviews

Amongst the opportunities for Fashion tech innovation:

Dimension	Opportunities for entrepreneurs
Collaboration	Networking and collaborating
	Working with large retailers
	Working with universities
	Match Making
Digital	Extending the digital platform to other users and other purposes

4. Mentoring programme process and results

The bespoke mentoring programme offered 27 selected companies (referred as “mentees” or “mentored businesses”) the opportunity to further implement and improve their innovative fashion-tech ideas or to develop inedited products/services/solutions for an average of 65 hours of support. The projects supported are showcased in the DeFINE Platform:

- [11 start-ups and SMEs were selected for the mentoring programme Round 1](#), started in October 2019 and ended in September/November 2020.
- [16 start-ups and SMEs were selected for the mentoring programme Round 2](#), started in the beginning of September 2020 and ended in May 2021.

Each mentee was assigned to a Lead Supervisor: a professional figure experienced in managing and providing guidance and mentoring support, whose task was to assess the mentee’s needs and expectations and formalize mentoring goals, to offer general directions on the development and innovation process, to identify the right mentors to ensure the delivery of bespoke support, tracking progresses and ensuring timely support, and monitoring performance.

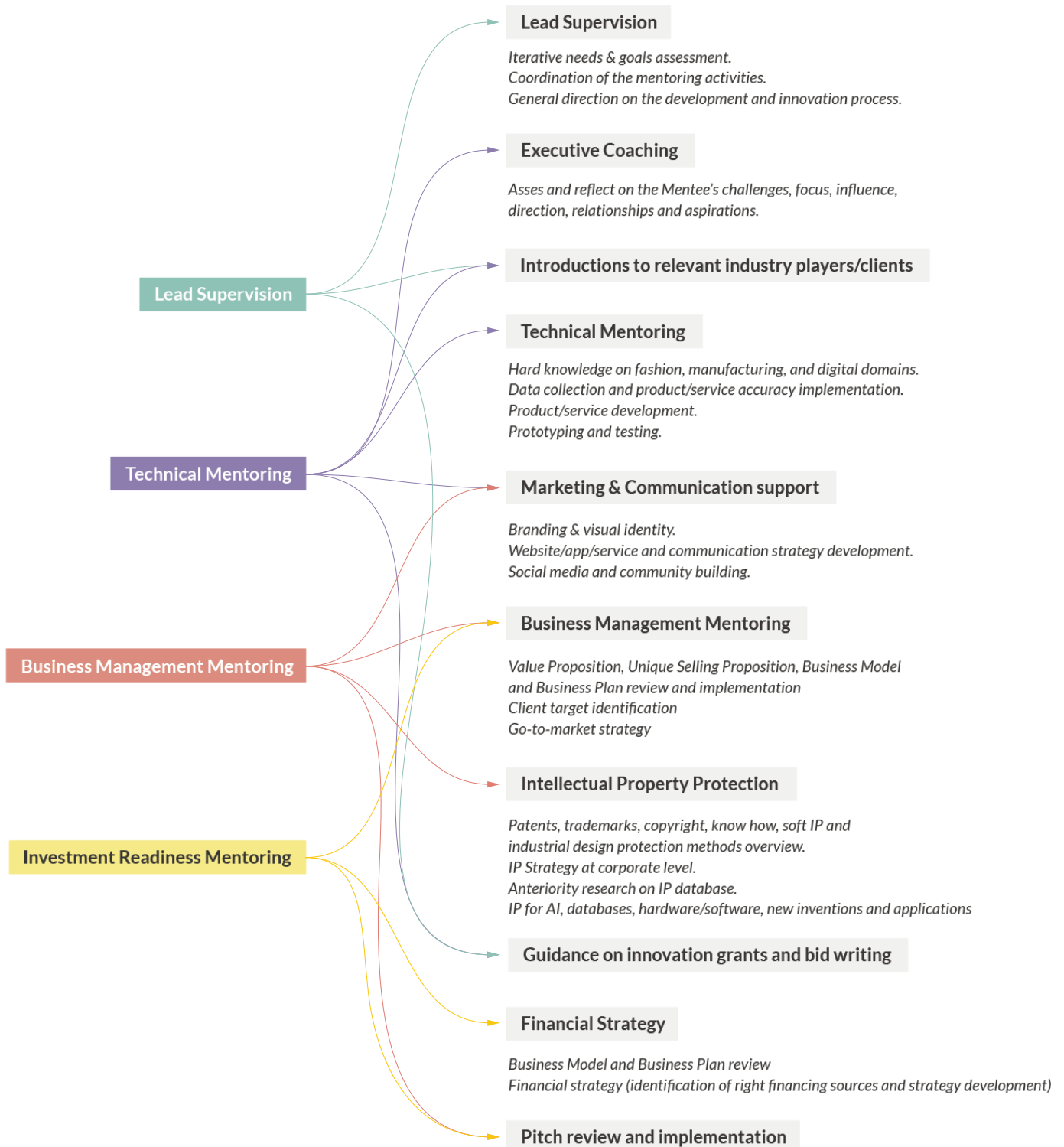
The Lead Supervisor was in charge of assigning the most suitable mentors to help the mentee reach their goals through individual mentoring sessions, ad hoc technical, business, and investment readiness guidance as well as access to laboratories and relevant facilities.

In addition to one-to-one mentoring, the DeFINE Project iteratively promoted a knowledge sharing activity providing the European fashion-tech community insights from industry experts and professionals (webinars, events recordings and final project video are available of the DeFINE [Youtube channel](#)).

4.1 Support areas and subjects implemented during the mentoring programme

Through a transversal observation of the mentoring topics tackled during the process and reported by the diverse mentoring teams, it is possible to grasp the interconnected nature of the four support areas (lead supervision, technical, business management and investment readiness mentoring). The common topics covered during the mentoring sessions were identified, collected and located under more advanced categories to better highlight the overall support fashion-tech start-ups and SMEs could need across their journey. Figure 1 shows on the left side the categories planned in the DeFINE project proposal, while on the right side a finer granularity for the support areas. Each area on the right side contains also the common topics delivered during the mentoring programme and identified in the cross-reading.

Figure 1 Highlight of the support to fashion-tech start-ups and SMEs

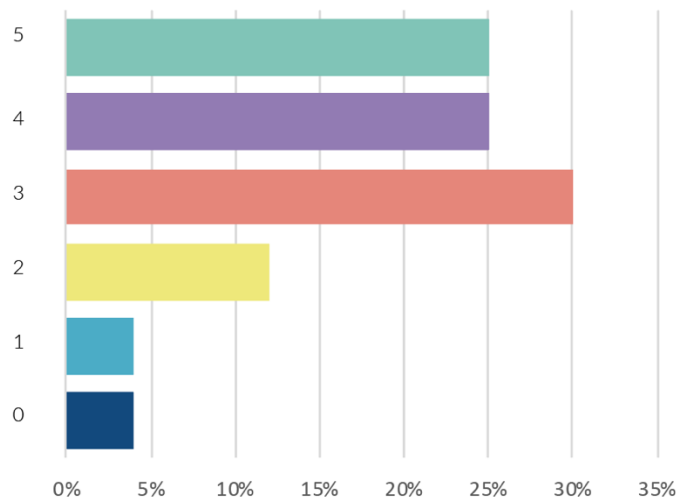


4.2. Mentoring programme evaluation: the mentee's perspective

The majority of businesses rated their participation in the DeFINE project highly with majority of responses classifying it as excellent.

Q: How has your business progressed since your interaction with DeFINE?

5 - Increased progression
0- No Progression



In terms of breakdown of what made the project special, responses concentrated around 6 key aspects:

- The mentoring programme (90%)
- The DeFINE community (40%)
- Technical support (30%)
- Information sharing (25%)
- Networking (25%)
- Investment awareness (20%)

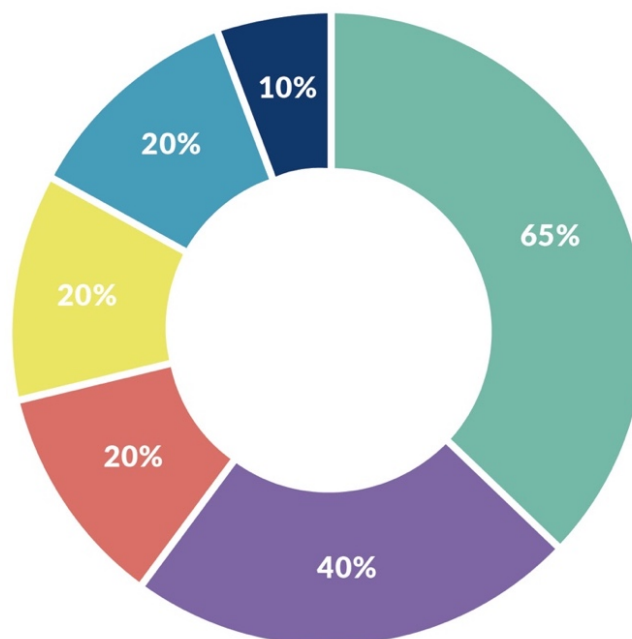
Close to 70% of the businesses that responded have made long-term strategic changes as a result of their interaction with DeFINE and these were mostly around 2 key areas:

- Business model
- Product

Another consequence of these changes was related to personal impact on founders and/ or members of the team, with the involvement in DeFINE making them feel more positive (54.55%), optimist (22.73%) and confident (27.27%).

Q: Has your business made any strategic changes as a result of your interaction with DeFINE?

**Respondents could choose more than one option*



Q: Were the changes short-term and/or long-term?

**Respondents could choose more than one option*



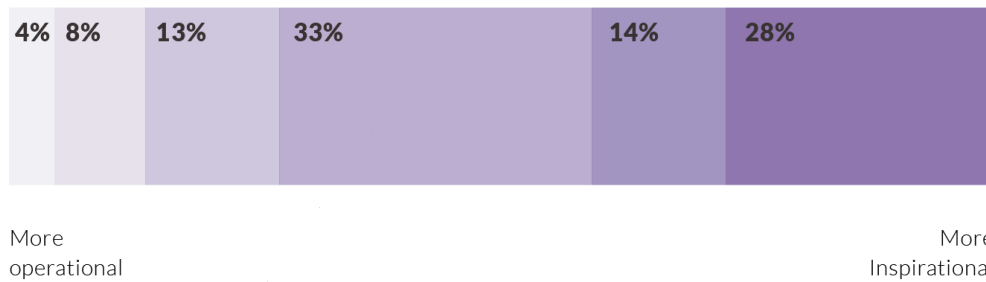
Q: How do you feel about the changes?

**Respondents could choose more than one option*



These results indicate the positive evolution of the businesses supported, with the majority reporting this increased progression.

The programme has reported a good balance between more operational and inspirational support, with both aspects having an impact on businesses and enabling them to progress at various levels.



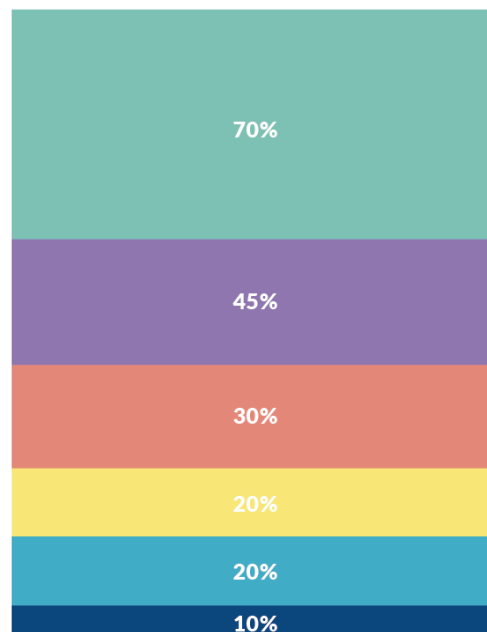
Individual Mentoring was referred to as the most useful and effective typology of support, with close to 90,5%, followed by connection to experts in the field with 52,4%. Within this, the mentoring process was highlighted as the most beneficial (75%), followed by investment readiness (45%), business sessions (35%), technical support and executive coaching (30%).

Business awareness, improved methodologies, improved processes and solutions are amongst the area'-s businesses agree they have developed the most.

Q: Which of the following do you think you developed the most?

**Respondents could choose more than one option*

- Business awareness
- Improved solutions
- Improved methodologies
- UX engagement
- Improved processes
- Other (networking with ecosystem players)

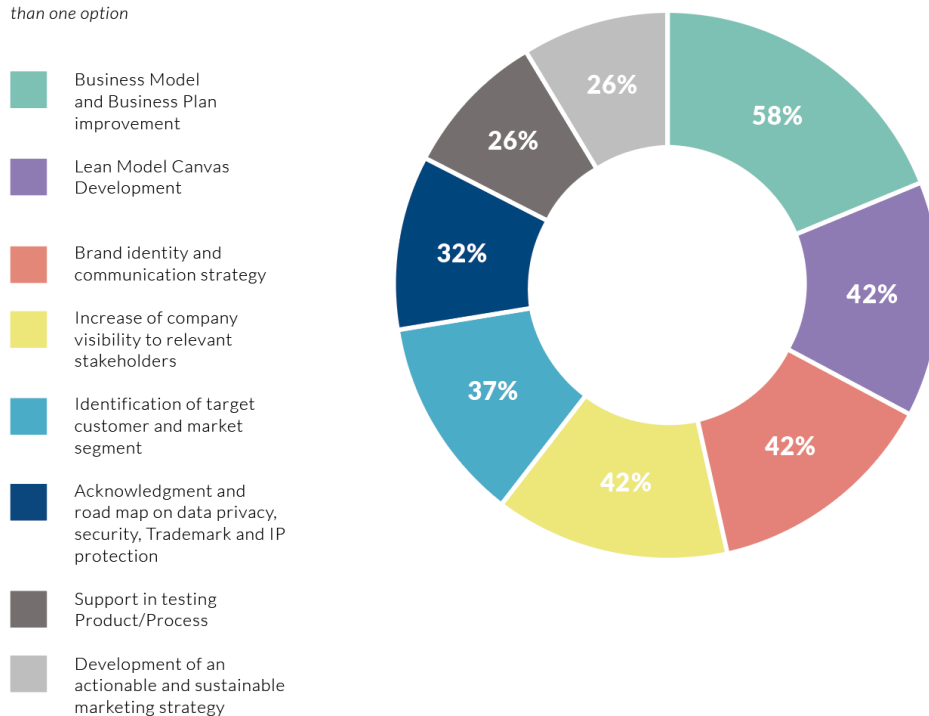


Within these, the highlights of the support were as follows:

- Business model and business plan improvement
- Lean Model canvas development
- Brand identity and communication strategy
- Acknowledgment and road map on data privacy, security, trademark and IP protection
- Identification of target customer and market segment
- Increase of company visibility to relevant stakeholders

Q: What were the highlights of the business support you received?

**Respondents could choose more than one option*



4.3 Mentoring programme evaluation: mentors' perspectives

On the other side, the mentors involved in the mentoring sessions provided great insights over the factors impacting the success of the support provision to fashion-tech start-ups and SMEs. The list below summarizes the findings:

Dimension	Insights
	European dimension
	Holistic support

Main strengths of the DeFINE Mentoring Programme	Individual mentoring
	Relationship building with start-ups and SMEs
Challenges in supporting fashion-tech start-ups and SMEs	Team resources availability and commitment
	Team internal competences, hard skills and entrepreneurial-related knowledge
	Team awareness of roadmap development and execution strategies
	Building the right team of mentors
	Mentors awareness of small enterprises intrinsic and dynamic condition
	Providing ad hoc support to software-based vs hardware-based enterprises
	Mentoring impact assessment during and after the mentoring end
Opportunities to be further implemented	Setting up strategies and tools to access key players
	Promotion of start-ups and SMEs networking and collaboration
	Promotion of mentors networking

The investment readiness mentor, who support all the 27 mentees involved in the mentoring programme shared additional challenges related to investment readiness status of the sector. The insights emerge from both the mentoring activity and interactions with European financiers and investors sensitive or interested in fashion-tech start-ups and SMEs. The following list summarize the key challenges limiting the investment potential of fashion-tech ventures:

- Lack of expertise of the sector for sound investment
- Lack of business-savvy founder in start ups
- Lack of following-up rounds of investment
- Investment need for B2C services are too high for the moment
- B2B services are often too small scale to attract investment
- Exit opportunities are limited
- Strong established brands with strong capital resources

The need to support startups in professionalization and investment readiness through focused incubation and acceleration is vital to the scaling of the sector but currently very few mentoring programmes are existing in Europe for the sector. Beyond some major fashion centres like London, Paris, Milan and Stockholm where some fashion-tech sensitive incubation and acceleration programmes exist because of tradition, education and presence of large corporations, the rest of Europe offers very limited opportunities to start-ups and SMEs in the sector for professionalization and access to funding.

5. DeFINE Project: Impact evaluation

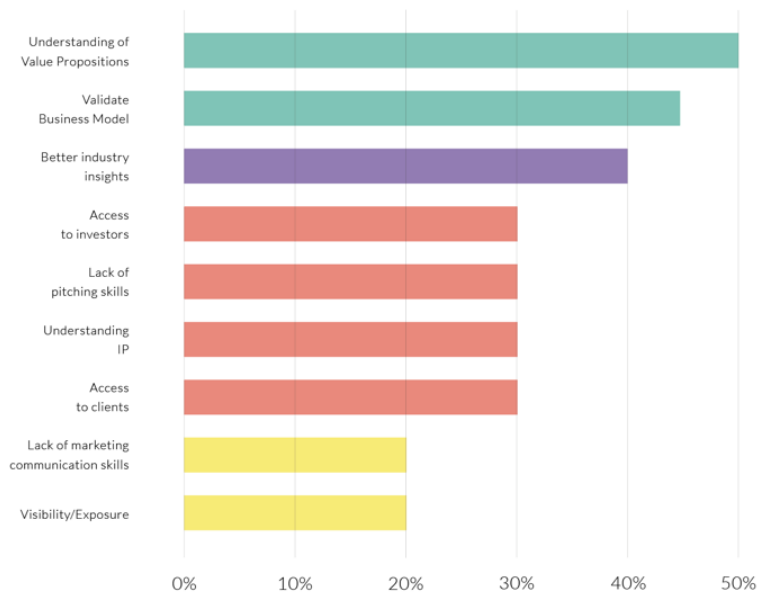
The impact of the project was the ability to leverage on all the factors mentioned here and contribute directly to the support of fashion-tech across European member states. Through its global dimension and subject specific support network, DeFINE has allowed participants to break existing barriers and challenges and equip them with tools to enhance their market positioning and innovation potential. Additionally, by leveraging on resources provided and gathered by the network, new products, processes, technologies and business models were developed that will strengthen Europe's role as a conductor in Fashion-Tech innovation. Across both project partners and participants, there were 2 main USP identified as greatest levers of DeFINE:

- **European dimension** - The European dimension of the project, spanning across Europe with a network-based support was mentioned often as the key USP of the project. The ability to connect various businesses and people that could benefit from international support and advise was a key strength.
- **Subject specific** - DeFINE's ability to bring together fashion and tech was identified as a special asset, since there isn't a big provision on subject specific incubators and accelerators. This made the program and its scope much more relevant to the industry, bringing added value to the networks.

One of the great benefits of the project, was the ability to help break some barriers and challenges.

Q: Do you think the project helped you break some of these barriers/challenges?*

**Respondents could choose more than one option*



The project largely succeeded in achieving the following objectives:

Q: Please rate the effectiveness of the DeFINE project in achieving the objectives below

0 = Poor
5 = Excellent



Build a network of financiers for fashion-tech SMEs



Build network of connectors to support fashion and tech SMEs



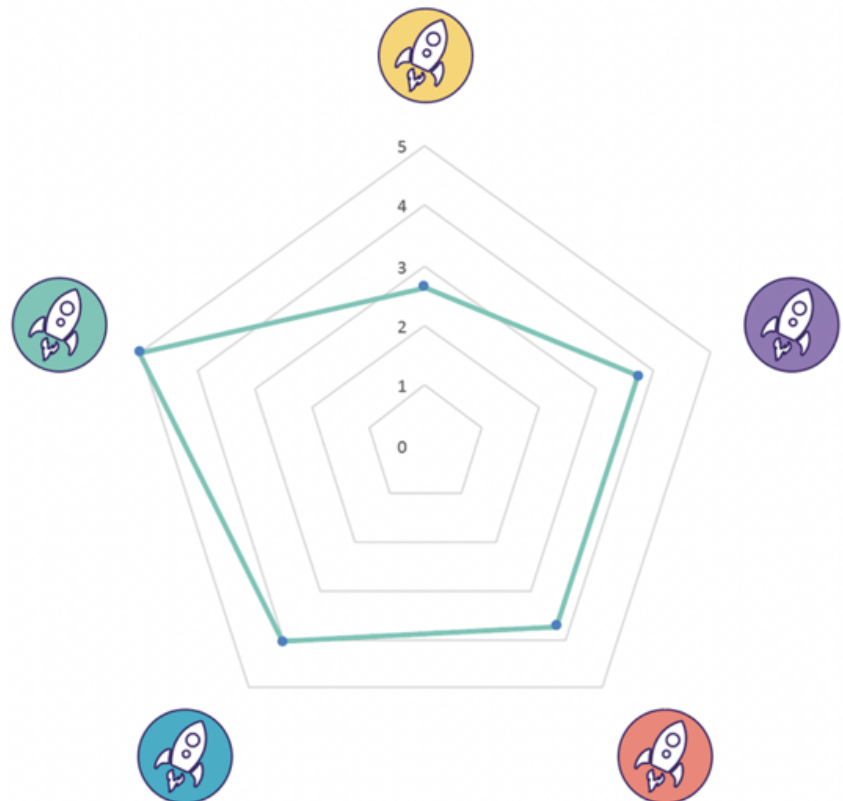
Support integration of new technologies into fashion SMEs to create new products, processes, business models or routes to market



Identify potential collaborators for fashion and tech SMEs



Provide business support and mentoring to selected fashion-tech SMEs



6. Legacy planning: opportunities to self-sustain the DeFINE community

Strategic planning is essential to make sure that the gains made by the DeFINE project to build a viable community last beyond the end of the project in June 2021. The key strengths and opportunities summarised in the previous section form a starting point to discuss a viable strategic plan to enable the DeFINE community to self-sustain and continue to grow.

There is clear interest from the mentees on continuing the connection with the DeFINE community. 100% of mentees were affirmative in this point on the survey held with participating start-ups and SMEs. With regards to the support they'd like to receive, answers were mixed but the majority concentrated on:

- Contacts with fashion businesses (76.19%)
- Bespoke mentoring and advice (76.19%)
- Information on investment opportunities (76.19%)

The sub-sections that follow are the guidelines/ key concerns to address and stakeholders to tap into when looking to ensure long-term sustainability of the DeFINE project. These exploitable insights are derived from the lessons learned of the programme and support the development of a Fashion-tech support network, that builds on the work started by DeFINE.

6.1 Entrepreneurial support networks

Within this Fashion-Tech Innovation Framework and building on the findings of the DeFINE project, we can identify a variety of key stakeholders that are needed in the ecosystem:

- Entrepreneurs;
- Public sector;
- Financiers;
- Academics;
- Private sector;

These should act together and design a strategic plan to foster growth and competitiveness of the Fashion-Tech European Ecosystem. The 5 critical pillars for the establishment of this innovation ecosystem are listed below:

- **Leadership and Business Support** - Create an ongoing 'Triple Helix' leadership structure to provide essential and targeted business support online (toolkits) and offline (networking forums and knowledge exchange events).

- **Mentoring** - Set up a pan-European Fashion-Tech Mentor network in conjunction with accelerators, incubators and clusters, and facilitate collaboration
- **Community Building.** Develop a social media and branding strategy to continue building and engaging the DeFINE online community and publish engagement analytics. Support ongoing connections and communication between the start-up members of the community through a WhatsApp group, regular feedback sessions and speed dating.
- **Accelerate Start-up Learning.** Identify challenges by start-up growth phase and showcase coping and resilience strategies (toolkits, online interviews and podcasts)
- **Expansion.** Proactively engage with larger pan-European fashion and/or fashion tech businesses for sponsorship, business or mentoring support

6.2 Exploitable insights to sustain a Fashion-tech support network

This section summarises the exploitable learnings from phase 1 and phase 2 concerning the DeFINE network as early stage support provision for Fashion-Tech start-ups and SMEs. These insights focus on practices that are exploitable by these 4 distinct stakeholders:

EXPLOITABLE INSIGHTS

FOR FASHION-TECH ENTERPRISES TO SUSTAIN THEIR COMMUNITY

- **Ongoing engagement with the Fashion-Tech community** is highly beneficial for the start-up/SME to generate contacts, awareness of sectoral innovation and manage personal and business growth.
- **Interactions with the DeFINE online community.** Registering and maintaining contact with DeFINE through the website define-network.eu or social media is essential as a first touchpoint with the community and to get to know the community participants. This will lead to increased engagement within the FT network.
- **Seek 1:1 business advice.** Seek mentoring opportunities with a range of business (including financial) and technology experts monitoring call for projects all around Europe.
- **Understand the financial landscape.** Build the business profile, credibility and reputation first by competing in and attaining financial awards for an innovative business idea in the early development phase (focus on enterprise awards, banks, tech-academic awards, grants offered by leading players in the sector).

EXPLOITABLE INSIGHTS

FOR DEFINE PROJECT PARTNERS TO ENHANCE FASHION-TECH SUPPORT PROVISION

- **Maintain an annual schedule of Fashion-Tech events.** Consolidate the Fashion-Tech community through ongoing knowledge exchange events with universities, support businesses and SMEs.
- **Blended approach to support.** Blend informal meet-ups to increase exchange within the community with sessions for specialised and practical business advice. Avoid using conceptual or academic business advice and focus on current business challenges and operations.
- **Maintain a strong online presence.** Use the DeFINE website to relate know-how through SME past experiences and interviews, Future Insights and expert advice, and build community through a focused social media strategy.
- **Support for skills in team and people management and co-founder relations.** Several SME founders have little knowledge of managing individuals and teams and managing the issues related to co-founder relations.
- **Support for skills in project management and operations.** Because of smaller teams involved, these businesses will need support in more operational aspects, coordination and project management.
- **Support for skills in market and data analysis.** Knowledge of leading incumbents and market positioning could be improved among SMEs. Some SMEs demonstrated a lack of knowledge about a specific fashion market sector as well as potential shifts and trends in that market; therefore, found it difficult to accurately scope and analyse market opportunities.
- **Encourage cooperation between incubators and accelerators in Europe.** This is essential for SMEs to leverage support across the European market and identify cross-market commercial opportunities

EXPLOITABLE INSIGHTS OF GOOD PRACTICE

TO REPLICATE FOR FUTURE PROJETS LEADS:

- **Close collaboration between project partners is key.** Feedback on events, process and aims was shared monthly between the partners and this is an excellent example of best practice and ensured continuous and ongoing improvement of activities.

- **Sharing and exchanging project partner expertise.** Project partners contributed expertise in mentoring business skills and strategy at different events organised by other individual partner institutions. Sharing and exchanging expertise ensured that different national Fashion-Tech communities had access to key knowledge brokers across Europe.
- **Project partner responsiveness.** There are several examples of good practice of responsiveness among the Project Partners. Of specific importance, Project partners pulled together to respond quickly to the Covid 19 pandemic and identified opportunities to gather information about SME growth and resilience, increase communication and support to SMEs.
- **Structured online communication strategy with F-T community.** Maintaining ongoing online communication is a particular strength of this project and this has consolidated the community presence and engagement over the duration of the project. Maintaining a post-project social media strategy will be critical to ensure that the F-T community thrives in the longer term.
- **Revise timeline of projects to better suit start-ups and SMEs.** For start-ups it's proven difficult to commit to longer projects and to self-sustain for longer periods of time, so revising the portfolio of offer to shorter and quicker results programs might be more efficient.
- **Design projects that promote collaboration and networking within start-ups and SMEs.** Being able to leverage tools that facilitate collaboration internal to the project (amongst the start-ups). Networking opportunities between start-ups should be integrated from the beginning to allow for peer-to-peer sharing and learning. Promote this via specific platforms as well as physical and digital events.
- **Design projects that promote collaboration and networking between start-ups, SMEs and larger players.** Connection to industry leading players and bigger corporations for possible opportunities of R&D or partnerships should be enhanced. The project should act as a streamlined introduction and facilitator for these connections to happen.
- **Planning for companies at different stages.** A tighter selection process could have helped to streamline the support provided. This would then lead to a segmented execution approach, depending of the SME subsegments identified and type of support required. This will help to create a much more tailored and structured support and address specific needs as discussed by project partners and participants.
- **KPI's vs Impact.** A wider discussion of KPI's to be set at the beginning of the project should take place to make sure that impact is long-lasting and shows clear change towards the Fashion-tech ecosystem in Europe. Within the impact and how to measure the impact, there was also a common agreement that extending the evaluation period would be beneficial to make sure real impact is captured. To properly study the consequences of the programme,

there is a need to follow the businesses throughout the project but more importantly, to assess their evolution and growth past the end of the project.

EXPLOITABLE INSIGHTS

FOR BUSINESS SUPPORT ORGANIZATIONS AIMING TO DELIVER SUPPORT PROGRAMMES FOR FASHION-TECH START-UPS AND SME'S

The following bullet list presents lessons learnt and recommendations for the entrepreneurial ecosystem players aiming to offer dedicated support to fashion-tech start-ups and SMEs (also referred as “mentee”). Business Support Organizations are recommended to:

- **Design tailored support according to the Technology Readiness Level (TRL) and Business Readiness Level (BRL)** of the fashion-tech product/service solution and set-up mentoring goals considering the skills and competences owned by the team members together with their availability and commitment in the programme activities.
- **Perform the assessment of needs and mentoring goals** process at the beginning of the mentoring programme and refine it iteratively driven by a team of mentors.
- **Classify the mentee's needs and accordingly define a preliminary plan** (duration and milestones), resources allocation and different percentages of support, TRL and BRL stage.
- **Create a common pool of experts and profile them** according to expertise, support availability, organisation, and country. Collect the mentors in an accessible database as a resource to be iteratively nurtured and shared with the mentored businesses to help them identify and select where they could get help from.
- **Encourage knowledge sharing and cross fertilisation meetings** between mentoring participants (mentees and mentors) through ad hoc thematic and networking events (e.g. bootcamps), offering conference sessions with industry experts, collective workshops, peer to peer learning activities on challenges encountered by the mentees, and one-to-one mentoring sessions.
- **Include validation of ideas at the initial stages of the mentoring by involving client targets** (B2C or B2B) in order to facilitate routes to market, verify the actual product-market-fit and understand if it is worth pivoting or persevering the business idea.
- **Create webinars grouping several entrepreneurs sharing common identified needs**, organise seminars illustrating theoretical, practical and legal aspects of the entrepreneurial journey, as well as guidance on time management, project management, and execution strategies.
- **Focus informative and tailored actions in form of one-to-one mentoring** on specific topics like fashion- and technical-related knowledge, corporate business strategy, branding and marketing strategy, IP Protection, and financial strategy.
- **Offer support to tackle financial-related challenges** through three possible packages: financial strategy (financial status assessment, exploration of possible sources of financing, formalization of

financial needs and roadmap), investment readiness support (financial status assessment, identification of the right investor profile, pitch presentation development and implementation), or identification of funding opportunities (financial needs assessment, identification of funding opportunity, support to perform the application process).

- **Plan follow-ups with the mentored businesses after 6/12 months** since the mentoring completion, in order to assess the real impact of the activities delivered. As a matter of fact, the DeFINE mentoring programme demonstrated that the execution of the strategies identified during the support sessions for the product/service solution implementation and business growth often occurred afterwards.

7. Conclusions

The “Good Practice Guidelines and Recommendations for the Fashion-Tech Industry” report sets out to assess the impact of the project activities to support the development of fashion-technology product, service and process innovation, community growth and financial interest or backing for start-ups, MSEs and SMEs in the DeFINE (fashion-technology) community.

By providing data from a wide variety of sources and evaluating the evolution of the companies that comprised both rounds, we can say the project contributed largely to the development of soft and hard skills as well as leverage growth within the participating MSEs and SMEs.

There was a clear attempt to tap into the key areas of need identified previously on the report and provide business, technical and legal support that addressed these challenges through a pan-European perspective.

The participants and project partners show interest in maintaining the community alive and sustaining the DeFINE support for a longer period of time to capitalize on the strengths and support the increase development of Fashion-Tech across Europe.

*For further insights about the activities
delivered by the DeFINE project
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