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Helsinki Education Hub

IMPACT EVALUATION OF HELSINKI EDUCATION HUB

MAIN FINDINGS AND RECOMMENDATIONS FOR
FUTURE OPERATING MODEL

OCTOBER 2023



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1. Background, objectives and implementation

Background and objectives of the evaluation

- Helsinki Education Hub - From Helsinki, the World's Learning Capital, is a project funded by the Helsinki City Innovation Fund for the years 10/2020–12/2023.
- This initiative drives the growth of young EdTech startups, fosters the development and internationalization of a learning experimentation platform, and strengthens the ecosystem of learning and education technology providers.

- The evaluation scrutinized the achievement of project goals, effectiveness, and impact on three distinct levels: within the companies, the community, and the ecosystem.
- Additionally, an assessment of potential follow-up actions for the project was carried out, and recommendations were formulated for the project's future operating model.

KEY* EVALUATION QUESTIONS:

- What impact has the project had on the development of early-stage companies in the learning business sector?
- How has the project furthered the business endeavors of young learning technology startups in their early stages?
- What effects have the activities and services of Helsinki Education Hub had on the EdTech community?
- How successful has the Hub been in attracting investors and talent to the community?
- In what ways has the project promoted Helsinki's role as the world's learning capital?
- How has the project facilitated the internationalization of the learning experimentation platform?
- Does the project have the prerequisites to operate with a more diversified funding base in the future?

** A more detailed list of questions can be found in the final evaluation report.*

Implementation, data and methods

- The evaluation was carried out from June to September 2023, commissioned by the City of Helsinki.
- The executor was chosen based on an open competition by 4FRONT, together with Innolink, were chosen as the providers of the evaluation after an open procurement.

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Document analysis	Funding application Steering group meeting materials Finnish EdTech Report 2022 Financial and turnover information of the companies that participated in the incubator
Background interviews	Teams interviews for five individuals working with the projects.
Survey	Targeted at 40 companies that participated in the incubator. Responses to the survey were received from 24 (response rate 60 %). Some of the responses were collected by phone.
Stakeholder interviews	Teams interviews for 12 key stakeholders of the project.
Workshop	A co-development workshop at the final stage of the evaluation for key stakeholder representatives.

Framework: Impact Model of Helsinki Education Hub

Following international practices for evaluation, the evaluation is based on intervention logic – analysing the 'impact chains' from objectives, to actions, to outputs, to outcomes, and to impacts.

Objectives

Promotion of the business of young entrepreneurs in the field of educational technology
 Integration of the ecosystem

Inputs

- Innovation Fund**
 - Funding (€)
- Personnel and expertise**
 - FTE
- Physical spaces**
 - Utilization rate
- Contributions and resources from partners**
- Participants' contributions and resources**

Actions, Outputs

- Incubator Activities**
 - Participating companies / teams
- Coaching and advice**
 - Service events
- Co-development and operating models (community)**
 - Developed operating models
 - Events
 - Participating teachers, students, companies, stakeholders
- Communication, networking (ecosystems)**
 - Delegations, international networks and visits

Results / Direct Effects

- Impacts on companies**
 - New companies
 - Strengthening of expertise and networks
 - Product development
 - Business stabilization and development
 - Customer relationships
 - Availability of funding
- Community**
 - Established cooperation and operating models
 - New research ideas, (joint) products, and services
 - Trials, piloting, testing
- Ecosystem**
 - Increased investment and funding opportunities as well as R&D cooperation between ecosystem actors
 - Strengthened and established connections to corresponding international centers, investors, and networks
 - Attraction of investors and experts
 - Visibility / brand

Societal Impacts

Analysis on three levels: companies, community, ecosystem.

- Growth and internationalization of companies**
 - Jobs, exports, tax revenues of educational sector companies in the metropolitan area...
- New innovations and solutions in the educational sector (in institutions)**
- Helsinki as a center of expertise in learning and education**
 - Investments, international investments
 - Experts

2. Main findings

Key Performance Indicators

Events have been organized well over the target.

The goal for the **number of established companies** was exceeded.

More **teachers** participated in the activities than targeted – the goal was not exceeded in terms of **learners**.

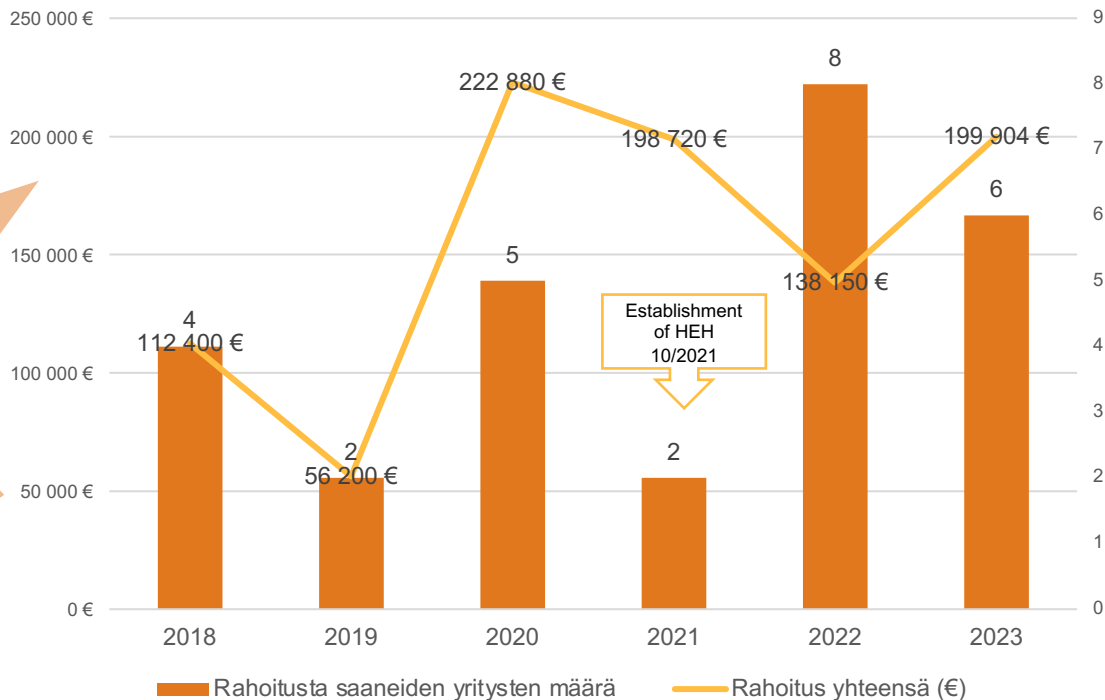
The goals for the numbers of **new products, services and research ideas** were not realized.

KPI	Type	Objective/ year	Q1 /22	Q2/22	Q3/22	Q4/22	Q1/ 23	Total 2022 + 2023	Implementation / Objective 2022
Number of events	Activity	50	23	26	4	27	14	80 + 14	80 / 50
Number of EdTech start-ups in incubator	Output	20	9	0	10	0	10	19 + 10	19 / 20
Number of EdTech start-ups on Testbed in HEH (Hub-lessons)	Output	15	2	3	2	2	3	9 + 3	9 / 15
Number of EdTech start-ups in business advisory	Output	20	17	10	12	14	9	53 + 9	53 / 20
Number of teachers involved	Output	50	23	69	24	106	71	220 + 71	220 / 50
Number of learners involved	Output	1000	36	180	36	124	76	366 + 76	366 / 1000
Number of organizations involved	Output	50	67	42	67	47	20	223 + 20	223 / 50
Number of international visitors	Output	-	N/A	N/A	N/A	N/A	70	0 + 70	-
Number of established companies	Outcome	10	3	7	3	2	1	15 + 1	15 / 10
Number of new product and service ideas	Outcome	25	1	0	0	0	-	1 +	1 / 25
Number of research ideas	Outcome	20	5	6	0	0	-	11 +	11 / 20

Development of the incubator companies

Few companies have significant turnover – focus on very early-stage companies/concepts.

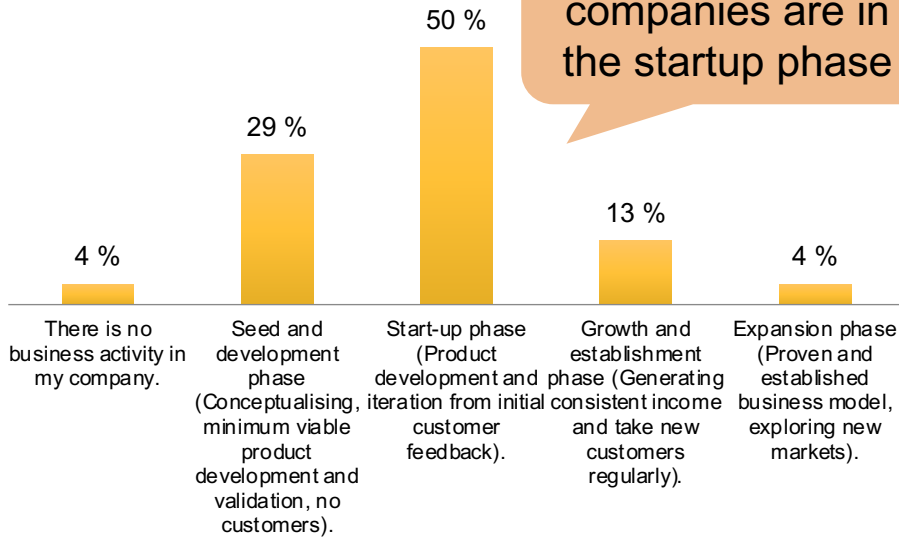
43 % of companies that participated in the incubator have received BF funding at some point between 2019–2023.



Granted Business Finland funding to companies that participated in the incubator between 2018–2023, and the number of companies receiving funding annually. Source: Helsinki Education Hub & Business Finland

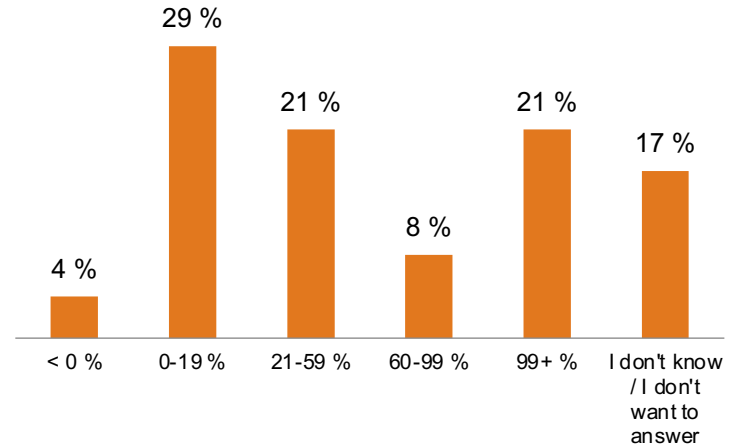
Stage and growth prospects of companies

Companies' development stage



What would best describe the phase your company is currently in?

Companies' growth prospects



What is your expectation of growth of revenue in the next year?

Impacts on companies' growth opportunities

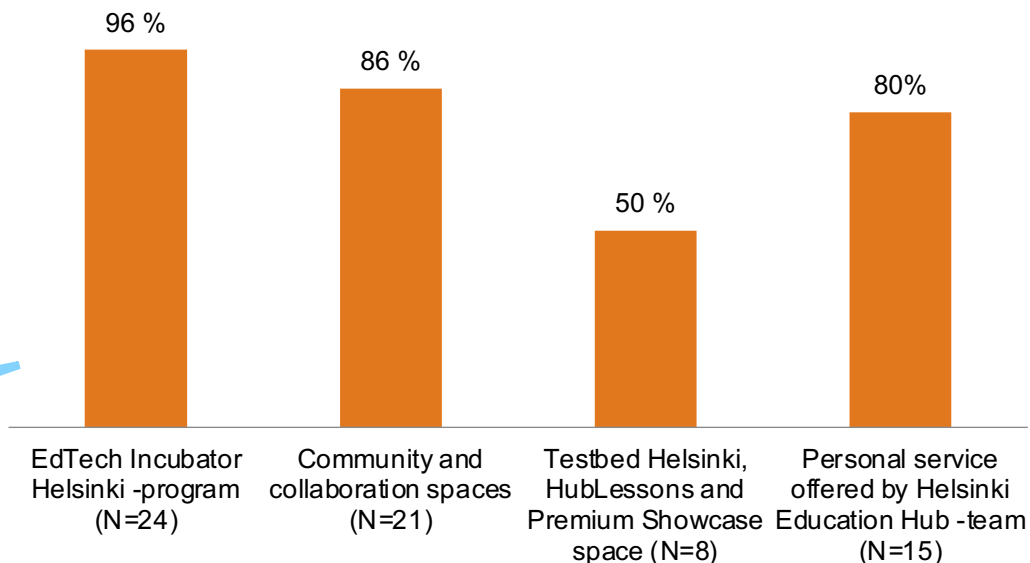
71 %

of incubator companies think that the services of Helsinki Education Hub have been **very valuable** for company establishment and growth.

N=24

Especially the incubator has created growth opportunities for companies.

Opportunities offered by different services to companies



Service has created new opportunities (e.g. important linkages to financiers, contacts to potential customers) for growth of my company. The percentage describes the combined share of companies agreeing (answer agree or strongly agree) with each service.

Impacts on companies' knowledge and business development

Views on the most important added value:

“Structurisation of ideas and business model. HEH has been a good “school” for me as I do not have academic background in business.”

“Contacts. Also, other people in our team didn't have previous experience about entrepreneurship or start-ups so they gained knowledge in founding and developing a start-up.”

In your opinion, what have been the most valuable assets you have gained through Helsinki Education Hub?

94 %

of incubator companies that received personal service provided by Helsinki Education Hub feel that it has helped find the right services and pathways to promote company growth.

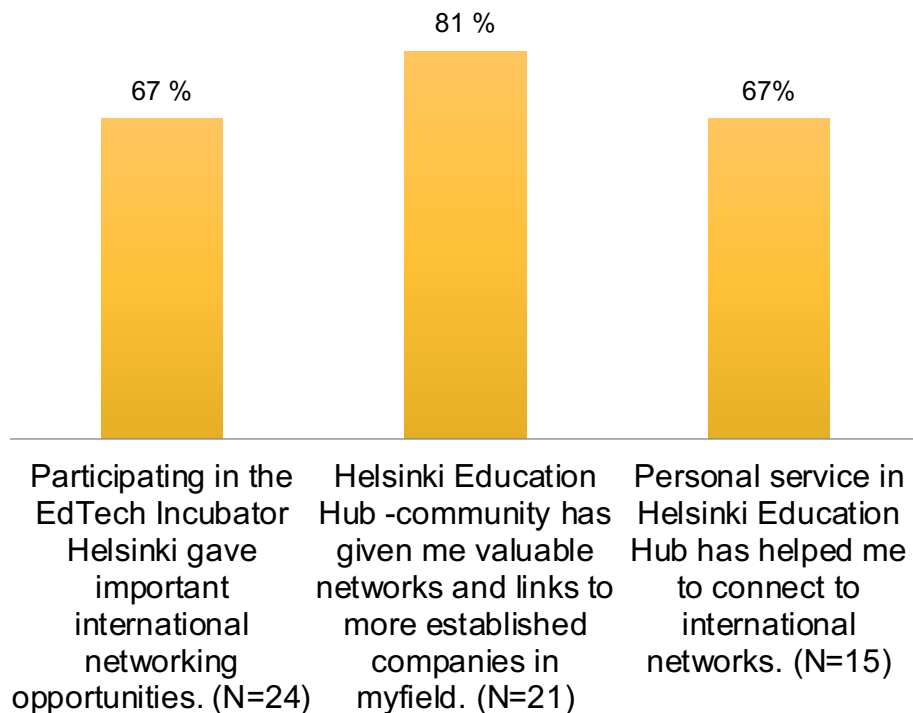
N=15

84 %

of incubator companies believe that participating in the incubator has provided important skills for creating and developing a company.

N=24

Impacts on companies' networks



“Gaining a network of edtech entrepreneurs, getting to know them. That's probably the most important thing.”

“Networking with local schools and universities, understanding the market, learning marketing and sales strategies on European market.”

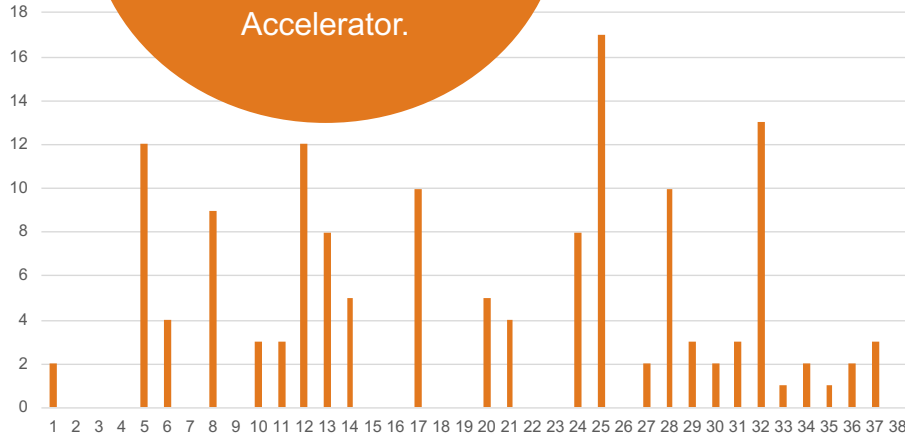
In your opinion, what have been the most valuable assets you have gained through Helsinki Education Hub?

Collaboration with Business Helsinki Accelerator

64 %

of companies participating in the incubator have received coaching in Business Helsinki Accelerator.

Coachings in BHA

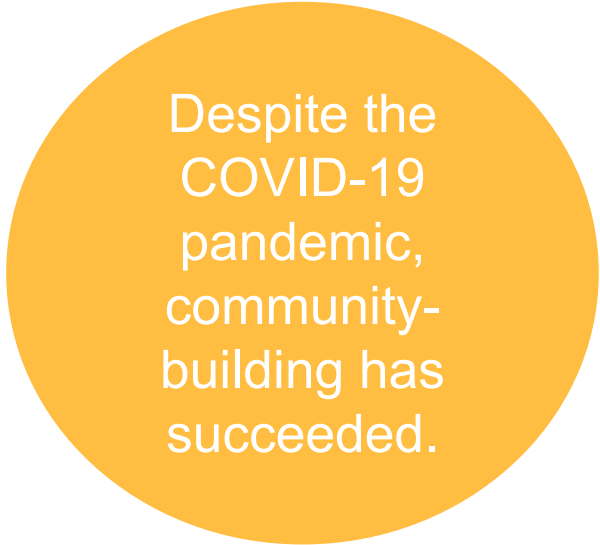


Companies that participated in the incubator

- 27 out of 39 companies participating in the incubator have been directed from HEH to Business Helsinki Accelerator.
- Almost all directed companies (25) have also received coaching in the accelerator.
- A total of 144 coaching events.

Views on Community-level Impacts

- Bringing business skills and knowledge, educational expertise, financiers, and end-users under the same Hub has strengthened the community.
- A physical meeting space has increased collaboration and knowledge-exchange between different actors.
- Collaboration with teachers, learners, and schools, and connection to a pilot platform have proven beneficial for companies and the sector's network, sparking international interest.



Despite the
COVID-19
pandemic,
community-
building has
succeeded.

Views on Ecosystem-level Impacts

- International interest in Helsinki and Finland's reputation as an education sector expert have been strengthened.
- Helsinki Education Hub is seen as having potential to serve as an international example in developing similar concepts.
- The Hub is seen to have clear added value for the ecosystem and Finland's international reputation.
 - Discontinuation of the Hub is seen as harmful to the sector's networks and operations.

The Hub has had a total of
1,183
international visitors
from **46 different**
countries.

1.1.2022–29.9.2023

3. Conclusions and Recommendations for Future Operating Model

Impacts on Companies (short-term)

- Incubator activities have **been executed proficiently**, and **companies are very satisfied** with the support provided.
- The incubator responds to a crucial challenge in the ecosystem by **reinforcing business skills in the sector's companies**.
- Participating in the incubator has had a **positive impact on companies' business activities**
 - Played a crucial role in **company establishment** and **business model development**
 - **Strengthened networks** both domestically and internationally.
 - Opportunities to **pilot and test products and services** in educational institutions.
 - Positively influenced the securing of **follow-up financing for the company**.

Impacts on Companies (longer term)

- **Evaluating the long-term impacts** is, at this stage, premature.
- The primary **bottlenecks** for long-term impacts are related to the **broader ecosystem**, and involve the following questions:
 - Are there enough potential and ambitious companies/startups?
 - Are there sufficient pathways and conditions to grow the business?

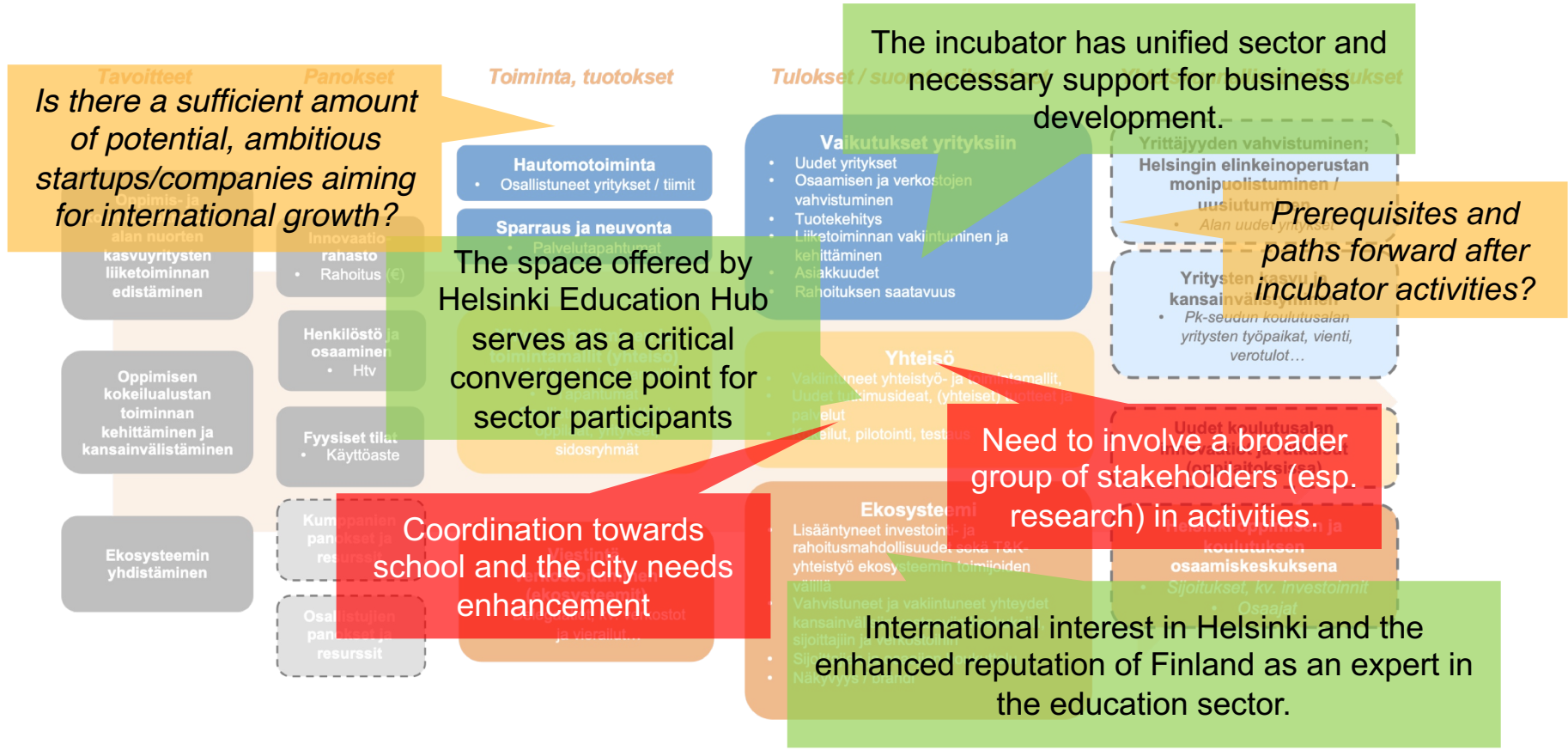
Impacts on Community

- **Connections to educational institutions and cooperation on the testbed** are very important and relevant.
 - However, there is still a need to enhance and clarify the platform's visibility among companies and the criteria and added value for participating companies.
 - Development is needed within the city and schools
- The space provided by Helsinki Education Hub **serves as an important meeting place** for different stakeholders.
 - Physical space has enabled companies to make new contacts and gain very valuable tacit knowledge for business.

Impacts on Ecosystem

- Helsinki Education Hub has played an important role as **a creator and maintainer of international networks and contacts**, thus promoting Helsinki's international reputation and generating wider interest in the Finnish education system.
 - The number of international delegations attending Helsinki Education Hub highlights the (short-term) impacts.
- Sustainable long-term impacts would require **further efforts to maintain and refine the established networks and connections.**

Summary of Impacts and Bottlenecks



Key Recommendations for Future Operating Model 1/2

Focus, Goals and Target Groups

- Transforming the Hub gradually into a knowledge center for the entire education sector in the metropolitan area — possibly nationally.
- Inclusive participation of different entities, especially considering universities and other higher education institutions, advanced companies, startup networks from other sectors, and international networks.
- Concentration on research cooperation and operational impact.

Service Offering

- Strengthening of community and ecosystem-level functions alongside the incubator.
- Enhancement of service pathways towards accelerators and private financiers.
- Amplification of awareness and clarification of added value for companies about service pathways (esp. guidance to the testbed).

Cooperation with the City and Educational Institutions

- The collaboration with Testbed Helsinki should to be continued decisively along with the city and educational institutions (e.g., clarification of participation criteria in testbed activities and coordination development).
- Cooperation should also be continued and strengthened with other city functions (e.g., accelerator), clarifying service pathways and roles towards companies.

Key Recommendations for Future Operating Model 2/2

National Cooperation

- Strengthening of broader cooperation with different entities in the metropolitan area and nationally (including higher education institutions, other municipalities in the metropolitan area, Business Finland, and other financiers).

International Cooperation

- Continuation the well-initiated international cooperation decisively.
- Closer networks, for example with corresponding international networks.

Financing Model

- The Helsinki innovation fund remains an important financier, but from the perspective of operational continuity and impact, diversifying and expanding the financing base is recommended (see a detailed description in the report).
- 1) partnership models with higher education institutions and other public entities and 2) utilization of public project financing (e.g., BF, EU) appear as the most relevant alternatives for additional funding sources.
- The feasibility of different alternatives requires more detailed analysis and the creation of a long-term plan along with potential partners and stakeholders.