

BUSINESS INNOVATION SYMPOSIUM (E6)
Case Studies and Prizes in Commercial Space (1)

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HYBRID BUSINESS MODELS FOR START-UPS: A EUROPEAN WAY OF NEWSPACE?

Abstract

Space commercialization and the opening of the space market to a broader audience is gaining a growing awareness these days. Backed up by high initial investments, U.S. companies like Space Exploration Technologies and Virgin Galactic are becoming popular and challenge the existing space industry. Nonetheless, the barriers for a start-up company especially in Europe are still high to get into the commercial space environment. This paper presents a non-typical type of business models for start-ups that might help to overcome the initial entry barrier and simultaneously benefit the contracting agencies: Hybrid Business Models and Space Technology Transfer simultaneously from space to non-space markets and vis versa. Small and Medium Enterprises in Europe, acting as downstream suppliers, have been using similar strategies over the last decades, using synergies between spin-in and spin-off to improve both space and non-space products. Mirrored onto start-ups, similar strategies of starting with well-planned hybrid approaches might both reduce the high initial seed investment for space start-ups and increase the efficiency of research and development funding from the agency perspective. Additionally, start-up companies employing this approach would be less dependent on a highly government and agency driven space market, making them potentially more sustainable. This paper builds upon previous research on the hybrid model and analyses it from both sides. It examines existing support initiatives for their suitability and describes the supporter's perspective. On the other hand, it presents the findings of a survey and research among existing space/non-space companies, to describe their quantity and key characteristics, such as size, overall product diversification, and involved sectors. For these companies, the paper also compares reality to a FKE-model, which is meant to describe the possible levels of diversification.