

WHAT ARE THE BENEFITS FOR ALL PARTIES

For VRT

Spot, and learn about, the potential of new technologies and its applications.

The pace of introduction of new digital technologies and related new business models is increasing all the time. For any Technology group it is a challenging to keep up with this evolution, while being busy with maintaining and keeping up to date the legacy. Keeping a close relationship with the startup-community and having a very low barrier to experiment with their newest and coolest is a very rewarding (and low cost) mechanism to keep track.

Getting real live experience with new technologies and its applications close to the production floor.

Sandbox projects give insight if and to what extent new technologies are already mature for production. Since VRT is bound by the law of public procurement it has to publish a public tender to source new products and services. The learnings from Sandbox projects are often an important input for these tenders and allows VRT to optimize the timing of technology sourcing. It avoids to source too early if technology is not yet mature and avoids missing the opportunity of new technologies when they are production ready.

Also, a Sandbox projects helps the Technology team at VRT to involve the teams in the business in an early phase in technology sourcing. Sandbox projects help to avoid the negative effects of technology push or pull. A Technology team can be very convinced a new technology and product will be very beneficial for the business, but if the business is not buying in, technology push fails. 'Testing the waters' in a 2-3-month experiment will allow to create this buy in. Or it might learn the technology teams there is no match, and they can avoid an investment with no or negative return and a lot of frustrations.

The other way around it happens very often people in the business came across some cool new tool (on a trade show, hearsay from colleagues in the sector), but Technology teams might have very good reasons why it will not work in their environment or why it is too early. Again, a Sandbox project will help to validate assumptions from both sides with real life evidence.

VRT Sandbox boosts internal innovation

These short iterative projects with Start-ups bring fresh oxygen in the organization. It has sent a message in the organization that bottom-up innovation through experiments with fast cycles is possible and even promoted. It is one of the mechanisms that is helping VRT to become more agile as an organization.

Creation of goodwill with stakeholders

Towards the external stakeholders (startup-community, local media-industry and policymakers) the open innovation approach of VRT Sandbox has created a lot of goodwill and has reset the reputation of VRT as a public driver of innovation in the local mediatech ecosystem.

Strengthens VRT's reputation as innovator

Also at European level, within the European Broadcasting Union (EBU - organization of all public service media organizations in Europe), VRT Sandbox has strengthened the reputation of VRT as a performant and innovative member despite its small scale. That is why VRT Sandbox is now EBU's partner in the European funded project Mediaroad, to replicate the VRT Sandbox model all over Europe. The objective is to create a European network of media sandboxes, called the Sandbox Hub. This way a local mediatech startup will have fast access not only to VRT and its local partners, but also to a number of European media companies.

For the Startup

Validate products faster on the largest media-production floor in Belgium

VRT is the most complete and most diverse media production floor in Belgium, both for TV, Radio and various digital channels. In a Sandbox project a startup is able to validate its product functionality and robustness in a real-life production environment, using real production data, with immediate feedback from top media makers and the largest community of media consumers.

Due to the nature of a Sandbox project feedback from users will be very fast and direct. If the VRT-team does not see any added value, they will no longer spend time and the project will stop. If they do see the value they will spend all the time it takes to grasp and demonstrate the value, and to maximize the chances the product or service tested will make it to the official production roadmap.

VRT as a reference customer

Although a Sandbox project does not imply any formal contractual sale, VRT allows start-ups who participate in a Sandbox project to use VRT as a reference customer. This can be a very valuable tool for a startup to open doors in other European media organizations. If useful, and limited in time and effort, VRT is even prepared to host a demo for sales prospects.

Visible on the radar of Media Invest Vlaanderen

Since May 2018 VRT and PMV (Participatie Maatschappij Vlaanderen) co-created a fund, Media Invest Vlaanderen (MIV), to invest in Flemish Media Tech or Media Content (production houses) companies. For a start-up in the VRT Sandbox it is an additional option to raise investment money. A Sandbox project creates an interesting opportunity for the investment managers of MIV to learn more about the startup, the team, the product offering, the feedback from VRT-users on the product and the team. Even if the start-up is still in a too early stage to be in scope of the MIV (minority stakes of 250-500K€ in a co-financing model), it puts the start-up already on the radar of the investment managers.

Fast access to EBU-members in the Sandbox Hub

In February 2018 the MediaRoad project was kicked off at VRT. Mediaroad is a project funded by the EU, submitted by the EBU (European Broadcasting Union) together with VRT and other international partners. One of the main objectives of the project is to create a European Sandbox Hub, as a network of local sandboxes at other EBU-members, and as such scaling up the VRT Sandbox model at a European level. One of the important advantages of the Hub for a startup in the VRT Sandbox is that it creates a very easily accessible network of potential European customers, and as such significantly shortens the sales cycle. The Hub also organizes startup pitch events at other media organizations in Europe, to support the international growth of media tech startups.

For the media sector

Media consumption is evolving very fast, triggered by the potential of new technologies. In order to keep pace with this fast evolution innovation by the media sector is key. VRT Sandbox is more and more playing an important role in this, not only within VRT but also for the Flemish media sector. All findings of the VRT Sandbox projects are publicly shared on sandbox.vrt.be, and twice a year in a public innovation event where startups and business share the learnings of their project. Media tech startups can validate their products early stage at VRT, in a sandbox project, and then present them to other media companies in the sector. And VRT Sandbox is more and more a stepping stone for early stage startups towards early seed funding by the media vertical of IMEC.iStart, and as a next step towards the Media Invest Vlaanderen fund by VRT/PMV or other investors.

A 2018 study by VUB and Flanders Business School on the economic added value of VRT includes a chapter on the impact of VRT Sandbox on the results of the Sandbox start and scale-ups. The sum of their revenue doubled between 2015 and 2017, their number of employees raised with 90%, and they raised 19,7Meuro in capital.

For Investors

Since more than 15 startups run a sandbox project every year, VRT Sandbox is an interesting opportunity for investors to spot new opportunities in an early stage. Moreover, a Sandbox project can provide very valuable input about the product-market and product-users fit and about the behavior of the startup team in a real customer environment, to complement other due diligence activities.