'Let's talk' crisis discussion groups – sessions 1 and 2
Impact of the COVID-19 pandemic on the STP/AOI industry

On 2nd June 2020 IASP members from 21 countries gathered online to compare and contrast the situations in their respective countries, cities and innovation ecosystems caused by the coronavirus pandemic.

The aim behind these sessions was to understand further the impact that Covid-19 has had on our communities and also to explore what solutions and measures have been implemented in order to address the problems that may have emerged in recent months. Resident companies are inevitably at the frontline of this crisis, with startups and SMEs potentially facing financial difficulties, STP/AOI stakeholders may have other priorities at the moment, and the changes to how we work may also have a significant impact on office infrastructures and real estate.

Overall, it was discovered that despite the state of crisis worldwide, the STP/AOI industry is standing strong. If directly comparing the current situation to how it was before, although things are noticeably different, IASP members felt that it has not varied so drastically to endanger existence of the STP/AOI. Positive feedback also showed that stakeholder support so far is not a cause for concern, it is just a matter of adapting to different circumstances and ensuring that there is a good level of communication. Some sectors have had some losses, but this has been compensated overall by new companies joining from others, and larger companies are not so affected.

Due to the innate nature of being innovation and tech based, these communities are proving to be relatively resilient. This was found to be particularly the case in certain sectors, such as health and life sciences, or IT and communications.

The solutions already shared on the dedicated IASP Covid-19 page support this, with many technologies and tools from the above mentioned sectors addressing the needs of Covid-19 related problems. Also, some digital service companies in science parks have now found themselves in the uneasy situation of having more work than ever and stretching themselves to the limits, yet not knowing if they will get paid.

Smaller companies and startups have been hit harder on the finance front, which has led STP/AOI managers to look at how to support them at this time, whilst trying to avoid too big an impact on the finances of the STP/AOI itself. A first step for many has been to evaluate the situation of each tenant company and assess how best to deal with them on an individual basis. Other options included grants, rent deferrals, a freezing of conditions until a set date, or offering smaller benefits in terms of parking fees etc. Although the idea of stopping the R&D that was underway was concerning, in some cases it was seen as vital to continue with this process and they were able to continue as an essential activity in STPs/incubators even whilst universities were closed.

The psychological aspect was also seen to be very important, with STP/AOI management teams showing clear leadership, providing guidelines for procedures and security protocols, and helping reduce any fear or panic. Clear communication is essential, both internally and also externally, with some initiatives having been implemented on social media, highlighting the benefits of being in such communities and that it is also a safe place to be.

In terms of the changes that have been experienced, despite the varying conditions of lockdown globally, one of the key issues related to connectivity. A big impact was felt in having the doors shut to the outside world physically, but this has been overcome by taking meetings, events and conferences online. For those cities or countries already set up to work fluidly online and with high-speed internet, there were far fewer challenges than for those areas which did not have this advantage, with contrasts being felt heavily even within the same city. However, despite this, training activities have been taking place, alternatives have been sourced, and services and support have continued to be provided to these innovation communities.

This perhaps offers an insight as to what lies ahead. The adaptability that the world has experienced of taking everything online will naturally have an effect on commercial models and what is offered to market. STP/AOI services may well stay as they are but from this moment onwards there will no doubt be a strong online component added. Companies are learning to work in another way, and so may require less space, and whilst new tools and support can be provided in this new realm inevitably these reductions in needs for space could be concerning from a real estate perspective.

Although purely real estate operations may feel a negative effect from this crisis with companies looking to reduce office space, new needs for larger areas where social distancing is fluid and effective may emerge, building on the community aspect of STPs/AOIs and allowing the 'new normal' to be a meeting place.

Could it be that facilities at some STPs/AOIs become meeting points required for certain activities and encounters, rather than the classic office space which may now be replaced by working from home?

There may be similarities to the past in many aspects, but there will be an increasing number of knowledge workers now based in their respective houses, and companies will have to change and adapt their offer. This not only applies to physical spaces but also to behavioural changes – employees will need to build upon their new skills to potentially continue some working from home, and companies may have to provide a new cultural offering too, supporting independent work. This may imply less emphasis on time and schedule, and more on projects and results. It is important for STPs/AOIs to learn how to support companies in this transition and understand how coming back to work may have different ways of interaction. This should be seen as an opportunity for STPs/AOIs to lead, as well as using new collaboration tools as a permanent part of business.

STP/AOI communities offer stability, technology, and a supporting environment, which has significant impact on region and economy too. It is seen that STPs/AOIs have a powerful role of being the communicator and facilitator, bringing together the needs of all and implementing new strategies where necessary to maintain this cohesion.