

INTRAPRENEURSHIP AT ALCATEL-LUCENT

R. Chandrasekhar wrote this case under the supervision of Professor Simon Parker solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In June 2014, Olivier Leclerc, director of Open Innovation & Intrapreneurship at Alcatel-Lucent, a global telecommunications (telecom) equipment manufacturer based in France, was considering relaunching boot camps in the company. Begun at its Belgium unit in 2006 and extended to other geographies in 2008, the boot camps had three objectives: to create value for the company from innovative ideas generated from among employees, to stimulate an entrepreneurial spirit among employees and to enhance opportunities for personal development for employees.

Boot camps had subsequently been discontinued, enterprise-wide, at the end of 2012 for several reasons. First, overall company revenues had been declining while cost of sales was going up, leading, since 2008, to net loss. Alcatel-Lucent was in the middle of a cost reduction plan called the Performance Program, which was launched in July 2012 to secure internal savings totaling €1.25 billion¹ by the end of 2013. The program involved restructuring unprofitable units (e.g., Network Applications Business) and exiting unprofitable markets (e.g., Managed Services), together reducing head count by 5,500 employees and 1,400 contractors worldwide.² There was also a growing view, exacerbated by the financial crunch, that small businesses — lean, nimble and sub-scale — would not fit in a large corporation such as Alcatel-Lucent in which systems, processes and economies of scale ruled.

Under the leadership of a new chief executive officer (CEO) who took over in February 2013, the Performance Program had been replaced by the Shift Plan, marking the beginning of a strategic shift towards business segments that were not only growth intensive but cash generative. “I want to put innovation back at the heart of Alcatel-Lucent,” said the CEO, adding that the management team would be “refocusing our research and development [R&D] and redefining our innovation engine to support our new choices of business.”³ The goal was to replace the company’s legacy products with new generation products. It was a clear signal that the spirit of intrapreneurship boot camps would be revived.

¹ €1.0=US\$0.736 in June 2014, www.x-rates.com/average/?from=USD&to=EUR&year=2014, accessed November 28, 2014.

² Alcatel-Lucent Annual Report 2012, Form 20-F, p. 20.

³ “The Shift Plan — June 19, 2013 — Video Highlights Press & Analyst Conference,” www.youtube.com/watch?v=tYwQQiHX7KM, accessed September 1, 2014.

Said Leclerc:

As we now consider reigniting the boot camps at Alcatel-Lucent in the light of the Shift Plan, I am facing three dilemmas. How do I reconcile the big business intolerance for failure with failure-prone intrapreneurship? How do I design a forward-looking component into intrapreneurship? How do I change the design and architecture of the boot camp in its new edition?

TELECOM EQUIPMENT INDUSTRY

Globally, the telecom equipment industry had revenues of US\$351 billion in 2013 (see Exhibit 1). Its products and services provided the back-end support for the more high profile information technologies (IT) sector, which was transforming the way the world lived, worked and interacted. The telecom equipment industry itself was changing. The biggest driver of change was the expectation it was fuelling among end-users. For example, consumers were getting addicted to connectivity, as evidenced by an increase in the number of devices. They wanted faster and higher quality access. There was a progressive move towards cloud networking and a greater mix of software in telecom equipment. Under pressure to deliver new products and services to telecom carriers, its main customers, the industry was reinventing itself regularly.

There were some recent major trends. Consolidation was common all along the chain — suppliers, customers and equipment vendors themselves. The number of networking equipment vendors was coming down. In addition to Alcatel-Lucent, the players included Avaya, Cisco Systems, Ericsson, Fujitsu, Huawei, Nokia Solutions and Networks (NSN), Samsung and ZTE as well as Adtran, Calix, Ciena and Juniper.

The nature of competition was changing in two ways. Companies from Asia were gaining market share with low-priced products and services. They prevailed not only in emerging markets but also in the developed markets of Europe and the United States. Secondly, new competitors from the mainstream IT sector were entering the equipment market. Although they were far from meeting the stability and quality standards of established telecom equipment companies, they were able to bring cost and time-to-market advantages to the table on the strength of their standardized infrastructure and open platforms. As a result, the differentiating factors that traditional manufacturers had enjoyed for so long such as – e.g., specialized knowledge of telecom protocols and frequency management — were being eroded by global IT firms such as IBM, HP and Accenture in areas including applications, platforms and value-added services.

Said Leclerc:

The key success factors of the telecom equipment manufacturing industry include the total cost of ownership for the customer, product and service quality, technological advancement, on-time delivery, flexible manufacturing capacities, local field presence and customer relationships. Innovation has become the main source of differentiation in an industry that is commoditized. Customer segmentation is also a common trend. It is often the basis for new product development.

ALCATEL-LUCENT COMPANY BACKGROUND

Formed in November 2006 with the merger of Alcatel SA (Alcatel) of France and Lucent Technologies Inc. (Lucent) of the United States, Alcatel-Lucent was a global communications solutions provider. Headquartered in Paris, it had consolidated revenues of €14.4 billion (\$19.9 billion) for the year ending December 2013 (see Exhibit 2). The company was spending over 15 per cent of its revenues on R&D annually. Nearly 9,000 of its 62,000 employees worldwide were involved in R&D projects, and 12 of its researchers had secured Nobel Prizes in Physics.

Both Alcatel and Lucent shared a lineage dating back to the late 1800s. Lucent had been formed in 1996 when AT&T, a U.S. enterprise involved in building a national communications network, spun off its manufacturing facilities. AT&T had a legacy of internal ventures, including Bell Labs, a world-renowned R&D facility at the time. Bell Labs had become, subsequently, an integral, albeit an independent, part of Lucent. The merger with Alcatel had created synergies around market reach, product portfolio and R&D costs for the combined entity.

For example, Alcatel was a dominant player in the European region and had strong positions in many emerging markets while Lucent was better positioned in North America. Alcatel had a presence in the enterprise market while Lucent had expertise in intellectual property (IP) based solutions. Alcatel was a sales driven organization while Lucent was known for delivering global services. Both were strong on R&D, and, post-merger, the combined entity had eliminated the overlapping of R&D projects, leading to cost savings.⁴

Alcatel-Lucent's R&D had two primary thrusts: research focused on identifying new and disruptive market opportunities, led by Bell Labs, and development focused on transitioning product concepts to viable commercial offerings, led by individual business divisions. The company had a portfolio of over 32,000 active patents. It was also licensing selected technologies to generate licensing revenues.

Driven by the vision of "enriching people's lives by transforming the way the world communicates,"⁵ Alcatel-Lucent was focused on triple play (voice-data-image) technologies. It was in the middle of a transition from an equipment supplier catering to large clients to a systems vendor covering the gamut of the multimedia content distribution chain. It was delivering turnkey telecom networks to customers for whom communications were mission-critical in their core business.

In June 2013, the company launched a three-year strategic program called the Shift Plan designed to reposition Alcatel-Lucent from a telecom generalist to a specialist player focused on IP networking, cloud technologies and ultra broadband access (see Exhibit 3). In tune with the Shift Plan, the company had realigned its businesses into three strategic businesses — Core Networking, Access and Others — each with a tighter and more controlled portfolio.

The company's organization structure consisted of three support divisions: Operations (covering delivery and distribution), Sales (driving customer relationships) and Strategy & Innovation (responsible for shaping the agenda for the future). In addition, there were three corporate functions: Finance and legal, Human Resources (HR) and Marketing.

⁴ Tsvetan Kintisheff, "Kintisheff Research Report [Initiating Coverage]," November 22, 2006, <https://amr.thomsonone.com/Download.ashx>, accessed August 10, 2014.

⁵ www.alcatel-lucent.com/about/overview, accessed December 2, 2014

Alcatel-Lucent was outsourcing a major part of its manufacturing to a limited number of electronic manufacturing service (EMS) companies. The latter were using the design specifications provided by Alcatel-Lucent and testing their platforms in line with the quality assurance standards established by it. They were procuring components and sub-assemblies based on the company's demand forecasts.

INTRAPRENEURSHIP

The term "intrapreneur" was coined in the 1980s by Gifford Pinchot, a management consultant who also outlined the 10 commandments of intrapreneuring (see Exhibit 4).⁶ The term referred to employees innovating within the framework of a large enterprise and using enterprise resources to monetize their innovation. Unlike entrepreneurs, who promoted their own small start-ups by carrying the risk and raising resources on their own, intrapreneurs worked within larger organizations where they were tasked with developing new ideas that would transform the organizations for which they worked.

A study in the United Kingdom by the Chartered Institute of Personnel and Development (CIPD) had shown that the country's economic growth could be boosted if larger firms drove internal start-ups. The research revealed that although 37 per cent of employees wanted the chance to become intrapreneurs within their organizations, only 12 per cent of companies facilitated such opportunities. The study concluded that the lack of facilitation potentially represented a "missed opportunity."⁷

A common factor among enterprises run by successors was the withering away of the entrepreneurial spirit that made first-generation entrepreneurs successful. The phenomenon was also true of large corporations where ownership and management of capital were independent of each other. As the corporations grew in size, their professional managers relied on process rigour to deliver results. Standardization was the universally acknowledged route to reduce costs and ensure efficiencies in resource utilization. It ran into conflict with innovation, which could come into play only when rules were broken. Intrapreneurship was seen by many companies as an option to regain innovative edge, and some were experimenting with a framework that could facilitate it.

BOOT CAMPS

In spring 2006, Alcatel launched what it then called the Innovation Boot Camp in Belgium where it had its R&D premises. The company was examining ways of bringing its researchers closer to the market and translating the patents, which they were securing regularly, into go-to-market prospects. The initial idea was to gather volunteers from among the researchers, put them through a short but intensive coaching session and help them develop a business plan. The plan was to be presented to an expert group for validation so that the best among them could be productized. The objective was to improve the company's sales to R&D ratio and do so more rapidly than before.

Alcatel realized that, notwithstanding the potential of a talent pool surfacing at the company, as a result of the boot camp, there were risks of the new resource becoming a stand-alone. There were precedents in the company of business plans developed by R&D or even Marketing not taking off because they were inward-looking, developed in isolation from other functions. Therefore, Alcatel decided to make a multi-

⁶ Gifford Pinchot, "The Intrapreneur's Ten Commandments," November 20, 2011, www.pinchot.com/perspective/intrapreneuring/, accessed September 5, 2014.

⁷ "Intrapreneurs: Entrepreneurs in a Day Job?," March 12, 2014, www.leasingworld.co.uk/freepages/news-detail.php?ID=1238, accessed May 28, 2014.

disciplinary team, built around an individual and his or her idea, the focus of coaching. The team would consist of specialists drawn, as necessary, from design, manufacturing, marketing and customer interface, in addition to the researcher. Alcatel preferred to own the idea and create value for its own operations either by transferring the project to one of its business units or by sending it on to Alcatel-Lucent Ventures, which was a business incubator within Bell Labs, an autonomous R&D division of Alcatel-Lucent. It was also open to the possibility of a boot camp project being spun off through external venture capital.

The first boot camp consisted of five teams of five members, rallying around one idea each (see Exhibit 5). While holding on to their regular jobs, the members attended a series of weekend retreats at a countryside inn near Brussels. Alcatel had enlisted the help of the faculty of Antwerp-based Flanders Business School (Flanders) to develop a curriculum aimed at building entrepreneurial skills. Each team had a senior Alcatel manager assigned to help its members identify the market segments, prepare a business plan, develop elevator pitches and make formal presentations. The final week marked an event that was billed as Super Friday, when the teams presented their plans to a jury consisting of the CEO of Alcatel Belgium, other top executives, local venture capitalists (VC) and the Flanders faculty. The short 15-minute presentations were followed by a grueling question and answer session where each team had to convince the jury of not only the market needs and financial return of the project but also of its vision of the project in terms of value creation for Alcatel.

The business plans making the final cut moved to the incubation phase where team members (now reinforced by Alcatel specialists) met with potential customers and gathered additional feedback. If the feedback was positive, Alcatel launched the project under the direction of an experienced manager.

By the time it merged with Lucent in November 2006, Alcatel had held six boot camps in Belgium and identified 30 potential projects. Several businesses were in early commercialization. Post-merger, the boot camps continued at Alcatel-Lucent with some changes. The Innovation Boot Camp was renamed the Entrepreneurial Boot Camp and was extended beyond Belgium into France, China, India and the United States. Each boot camp was an autonomous operation run by the country unit with little intervention from the head office in Paris. The presentations by teams were made to an Innovation Board, which was also country-specific and manned by local Alcatel-Lucent executives. Depending upon synergies and business alignments, the project, in its final form, would become embedded into an Alcatel-Lucent business group, or become part of Alcatel-Lucent Ventures or be handed over to an external VC.

In early 2008, Leclerc was drawn into strategizing the boot camp. The French edition, known as “Défi entreprendre” was scheduled to debut in Paris in June that year.⁸ Having been with R&D at Alcatel with a track record of papers (published in well-known journals) and patents, Leclerc was struck by how peer recognition for a researcher came, even in the context of a large commercial enterprise, not from developing a marketable product but from the number of papers published and patents held. He also knew that several new-generation researchers were keen on breaking the traditional mould. They wanted to pursue success in commerce in its own right rather than as an unintended and accidental by-product of their work.

A major change introduced by Leclerc was to open the doors of Défi entreprendre not only to researchers but for anyone across the enterprise who had an innovative idea.

⁸ “Innovation at Work Ep. 5 — ‘Défi Entreprendre’ Initiative,” September 9, 2009, www.youtube.com/watch?v=Su0jbxrmQII, accessed December 2, 2014.

Said Leclerc:

How do you turn a good idea into a bona fide innovation? By giving the person with an idea the chance to develop it further. It does not matter whether she works in a research role, on the front line in a managed service centre or at a desk writing a marketing communications manual. We want to give all employees an opportunity not only to make suggestions for new products or solutions but also to be part of the cross-organizational team that builds the business case to take the idea forward. The goal of the program is to stimulate innovation and enhance creativity across Alcatel-Lucent with a view to sharpen our competitive edge.

Leclerc enlisted the support of the faculty at ESCP-EAP, a European business school, for the teaching part and of the consulting firm Ulysses Consulting SA, based in Geneva, for getting serial entrepreneurs on board as team coaches.

RESULTS

By the end of 2012, Défi entreprendre had led to 32 projects in France (see Exhibit 6). Two of them (MOSAR and Dekaps) had been commercialized, three (Contact Me My Way, SCANNER and Tivizio) transferred to business units within Alcatel-Lucent and one (Broadcast over Cellular) spun off.

MOSAR, subsequently renamed the Alternative Energy Program, was one of the first projects to get off the ground.⁹ It was led by the Services Group together with the Wireless Network Products division. Base stations powered by alternative energy sources such as the sun and wind were already being deployed worldwide, but where MOSAR scored was in bringing to market, for the first time, an ability to scale them up globally while complying with standard delivery times. It had secured commercial contracts and mobilized revenues of €20 million for Alcatel-Lucent from 2009 to 2011 before it was put on hold as part of a general veto on boot camps in 2012.

Dekaps was a software program that could be used to decode and transmit a variety of multimedia content — more particularly, geo-localized information — for smartphone applications. It was led by Mobile News Channel, an Alcatel-Lucent subsidiary. The project had generated revenues of €1 million from 2009 to 2011 before it too was put on hold in 2012. In 2014, however, Alcatel had sold the assets of the subsidiary as part of a divestiture.

Among the projects that were absorbed by business units, and whose financials were not tracked individually, was Contact Me My Way, a service that enabled users to manage their communications accessibility while bypassing the need to provide personal details. It had been transferred to the Applications business unit. SCANNER consisted of small cells, enabling an experience similar to a digital subscriber line (DSL). It had been absorbed by Bell Labs. Tivizio enabled smart sharing and enrichment of videos. It had been transferred to AL Enterprises, a subsidiary.

Broadcast over Cellular was built around offering cellular technology for the world of broadcasting with remote radio head. It had won the Best Project Award for Season 6 of the boot camps but was not of any particular relevance to Alcatel-Lucent's ongoing operations. The three employees who had shepherded the project opted to move out of the company and float the venture on their own. They resigned from

⁹ "Alcatel-Lucent — Alternative Energy Pilot Site for Wireless Networks," August 31, 2009, www.youtube.com/watch?v=fpoKhWzniMM, accessed December 12, 2014.

Alcatel-Lucent and took over the IP rights. But the venture they floated was shut down in 2014. Without the brand equity of Alcatel-Lucent, the project was not sustainable.

Défi entreprendre provided three major insights that Leclerc could build on. First, the R&D group was not the only, or even the most important, source of personnel for the boot camps: 40 per cent of the ideas and projects had come from Marketing, followed by R&D at 33 per cent, Project Management at 12 per cent, Sales at 7 per cent, Legal at 4 per cent, Finance at 3 per cent and HR at 1 per cent. Second, the age mix of the participants was surprisingly varied: 5 per cent were in the age group of 25 to 30 years, 14 per cent in the age group of 30 to 35 years, 36 per cent in the age group of 35 to 40 years, 20 per cent in the age group of 40 to 45 years, 25 per cent in the age group of 45 to 50 years and 5 per cent in the age group of 50 to 55 years. Third, boot camps had increased the percentage of high potential employees (known internally as HiPos) at Alcatel-Lucent from 48 per cent of the workforce to 66 per cent.

However, Leclerc also noticed several limitations of the boot camps:

Convincing the mid-level managers to free up resources for boot camp projects was a snag. We tried to resolve it through the mechanism of “least expectation” — by asking them to stay neutral, at the minimum, in the event of not providing support. There were also some apprehensions among incumbent trainees. Many of them were wondering whether the boot camps were the company’s way of preparing them for lay-offs. An unresolved matter was the way forward. In the very nature of things, not all participants in boot camps would be winners. There would be many who would not measure up. What should they do at the end of a boot camp? We also had difficulty in determining the performance metrics and aligning them to key performance indicators [KPIs] and the company’s rewards system.

ISSUES BEFORE LECLERC IN JUNE 2014

As Leclerc was getting ready for the imminent revival of the boot camps, he was facing several dilemmas.

The need for reconciliation between the big business intolerance for failure with failure-prone intrapreneurship at Alcatel-Lucent arose, as Leclerc saw it, for three reasons. First, as a large organization, Alcatel-Lucent was wired for scale. A sub-scale business, typical of a start-up, would be perceived by the rank and file as a misfit. Second, managers were wary of spreading limited financial resources still more thinly, and they were even more wary of making bets on untested projects, however small. Third, operations managers were conditioned to securing process efficiencies through incremental improvements. Efficiencies mattered to them even more in the context of ongoing organizational initiatives such as the Performance Program (designed to secure cost savings) and the Shift Plan (aimed at running a tight ship).

At the same time, in-house start-ups had several advantages. They represented the best employee ideas. The originators of those ideas knew how to work inside the system. They were familiar with building collaborations, both internal and external. They were focused on high-growth opportunities and value creation. Their operations were nimble, agile and more open to incorporating best practices.

Said Leclerc:

I am looking for a seamless flow between the strategic needs of start-ups with the strategic needs of Alcatel-Lucent. I think one way of securing this is to ensure that all new projects are linked to

our core businesses. It will neutralize apprehensions about spreading resources too thinly. Another way is to involve the company's C-level managers into the process of developing intrapreneurs. We should get them to take on mentoring roles. We should make them live the experience of an intrapreneur, however briefly. Another way is to make boot camps a year-round initiative at Alcatel-Lucent. We should open them to more employees on a 24/7/365 basis, to our vendor community and even outside our ecosystem.

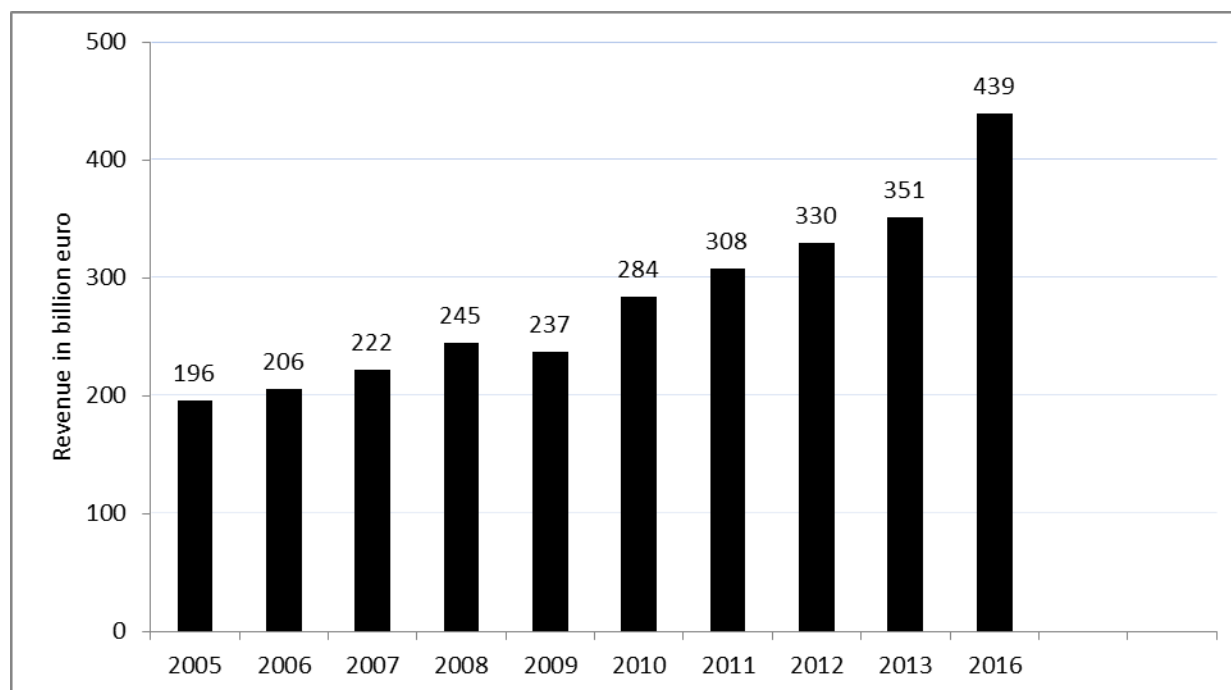
The need to design an exit plan was crucial in the light of the misconception, as Leclerc saw it, that intrapreneurs were "programmed" to leave Alcatel-Lucent, taking their best ideas with them. The takeaway from Défi entreprendre was that intrapreneurs preferred to work within the confines of Alcatel-Lucent. The solitary exception was the team that worked on Broadcast over Cellular, the project that had been spun off, largely because of lack of prospects for it within the company. Holding on to intrapreneurs, however, required designing a career path that was atypical and had to appeal to intrapreneurs' appetite for risk rather than to aspirations for vertical or global mobility within the company. People who excelled at discovering and incubating new opportunities did not automatically covet becoming business heads or general managers. Their aspirations were as different as their skill sets.

Also required was a system of activity-based metrics that linked performance to innovation rather than outcomes. The metrics had to reflect the inherently experimental nature of innovation. Incentivizing a passion was a metric, Leclerc believed, that conventional HR systems were not yet configured to implement.

Said Leclerc:

For a majority, it is back to their day job, with opportunities to participate again in the future. For some, there are prospects for career acceleration and greater organization visibility. A few may decide to leave the company to pursue ideas they have worked on during the boot camps. We could still be closely connected to them. But, as an organization, we need to have greater clarity on HR and IP issues around spin-offs. We wonder whether we should also perhaps open up boot camps to employees from other companies.

EXHIBIT 1: INDUSTRY REVENUES



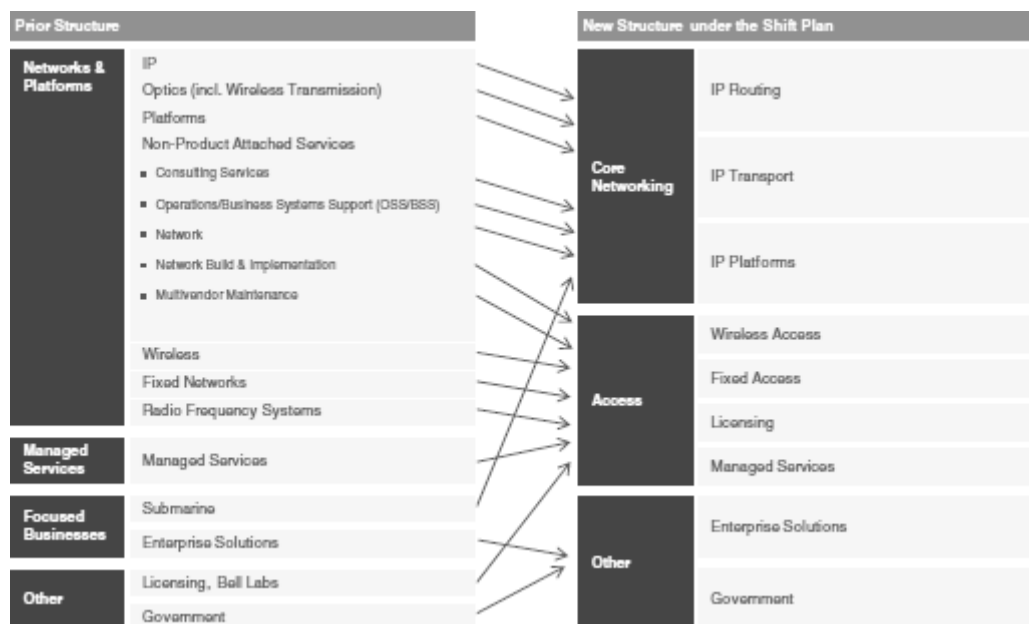
Source: Created by authors using data from www.statista.com, accessed January 13, 2015.

EXHIBIT 2: ALCATEL-LUCENT INCOME STATEMENT

Year ending December (in € millions)	2013	2012	2011	2010	2009
Revenues by Business Segment					
Core Networking	6,073	6,163	6,425		
Access	7,437	7,286	7,844		
Others	926	1,000	1,063		
Revenues by Geography					
North America	7,311	7,088	4,555	6,695	5,554
Europe	3,672	3,807	2,643	5,081	5,203
Asia Pacific	2,408	2,509	7,033	2,928	2,978
Rest of World	1,045	1,045	1,101	1,292	1,422
Consolidated Revenues	14,436	14,449	15,332	15,996	15,157
Less: Cost of Sales	9,793	10,108	9,977	10,425	10,046
Gross Profit	4,643	4,941	5,365	5,571	5,111
Less: Admin. & Selling Expenses	2,065	2,390	2,641	2,907	2,913
Research and Development Costs	3,271	2,374	2,444	2,662	2,523
Net Income (Loss)	(1,294)	(2,088)	709	(292)	(504)

Source: Alcatel-Lucent annual reports.

EXHIBIT 3: ALCATEL-LUCENT'S SHIFT PLAN



Source: Alcatel-Lucent Annual Report 2013, Form 20-F, p. 32.

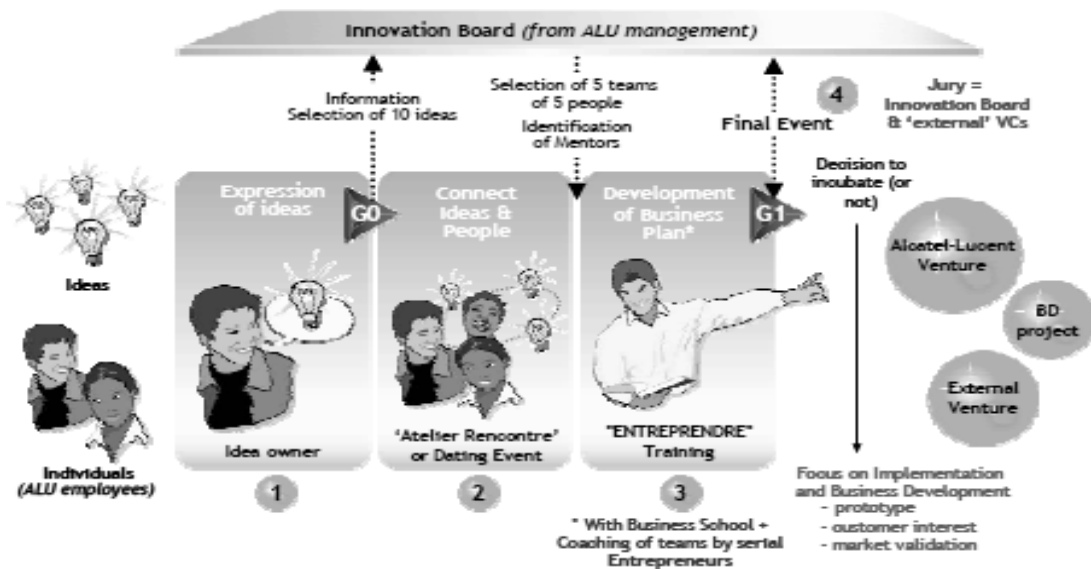
EXHIBIT 4: INTRAPRENEURING

THE INTRAPRENEUR'S TEN COMMANDMENTS

1. Come to work each day willing to be fired.
2. Circumvent any orders aimed at stopping your dream.
3. Do any job needed to make your project work, regardless of your job description.
4. Find people to help you.
5. Follow your intuition about people you choose. And work only with the best.
6. Work underground as long as you can – publicity triggers the corporate immune system.
7. Never bet on a race unless you are running in it.
8. Remember, it is easier to ask for forgiveness rather than for permission.
9. Be true to your goals but be realistic about the ways to achieve them.
10. Honor your sponsors.

Source: Gifford Pinchot, "The Intrapreneur's Ten Commandments," November 20, 2011, <http://www.pinchot.com/perspective/intrapreneuring/>, accessed September 5, 2014.

EXHIBIT 5: MAIN STEPS IN INTREPRENEURIAL BOOT CAMP



Source: Company files.

EXHIBIT 6: ALCATEL LUCENT BOOT CAMPS (FRANCE) 2008 TO 2012

#	Season	Project Title	Details	Status	Value Creation
1	I Second half of 2008	MOSAR	Alternative energy program with an energy-autonomous wireless base station	• Incubated • Commercial contracts secured	• Estimated revenues during the period 2009 to 2012: €20 million • Project stopped in 2012
		Dekaps	Augmented reality services for smartphones	• Funded by a VC, Fonds Innovation, during January to December 2010 • Transferred to Mobile News Channel, an Alcatel-Lucent subsidiary, in January 2011 • Commercial contracts secured	• Estimated revenues during the period 2009 to 2013: €1 million • In 2014, Alcatel-Lucent sold its subsidiary Mobile News Channel
3		I-moov	Real-time car sharing application	• Stopped • Business model not convincing to jury	
4		mAdgic	Mobile marketing platform	• Stopped	
5		Careline	Access to the Internet without the need for a personal computer (PC) solution	• Stopped • Proposed solution not convincing to jury	
6	II First half of 2009	Contact Me My Way	Enables users to publish their communications without providing personal details	• Best Project Award, Season 2	• Transferred to Applications unit • Financials not being tracked individually
7		CCloud	Database tracking purchased music/video, allowing one to listen/view content on any device at any time	• Stopped	
8		Internet of Energy	Lead the definition of Smart Grids by applying the architecture and protocols of the Internet	• Stopped	
9		SCANER	Small cells as enablers of DSL-like experience coupled with the always-on/always-reachable aspect inherent in the mobile terminal	• Incubated	• New activity started within Bell Labs, an in-house VC firm • Financials not being tracked separately
10		Catch Target	Real-time micro-targeting for optimizing the impact of advertisements	• Stopped • Not clearly identified valorization	

EXHIBIT 6 (CONTINUED)

11	III Second half of 2009	ODeSA	Decoupling network subscriptions and online service access on 4G networks	• Best Project Award, Season 3 • Stopped	
12		MyZadoo	Web 2.0 platform coupled with social networks for elderly in institutions to break isolation and maintain social contacts	• Partner identified and secured for commercial deployment • Stopped	
13		I2P Intuitive People	Reinventing the way one buys through easy access to useful information, personalized, fast and in real time for all purchases	• Stopped • Value proposition not convincing to jury	
14		SmartHome Box	Decentralized networked energy platform	• Stopped	
15		Gaming Engine	Play instantaneously anywhere on any device	• Stopped	
16	IV First half of 2010	SCOT	Authentication platform via mobile phone to access personal content from any connected screen	• Best Project Award, Season 4 • Incubated and then stopped	
17		SeaFriends	Security solutions for nautical community	• Market potential validated survey completed but stopped	
18		We Talk!	Real-time voice translation service	• Incubated then stopped	
19		Tivizio	Smart sharing and enrichment of videos	• Incubated	• Transferred to AL Enterprise • Financials not being tracked separately
20		VarioBB	Mobile broadband business models	• Contacts established with potential customer identified through Vertical Markets sales teams • Stopped	

EXHIBIT 6 (CONTINUED)

21	V Second half of 2010	uBIS	SaaS-based catalog of universal, vertical and customizable business interaction services	• Stopped	
22		Color-Life	Enabling enterprises to improve optical networks	• Best Project Award, Season 5 • Stopped	
23		AlwaysHome	Virtual mobile network operator	• Proposal being reworked • Renewed interest from Orange	
24		SmartOPs	Solution for easy maintenance of radio access networks	• Stopped	
25		SmartCare	Enabling quality care, anytime, anywhere	• Value within the Vertical Markets segment • Implemented pilot with Novalis • Stopped after THM Solution was discontinued in 2011	
26	VI Second half of 2011/12	UniQ	SIM card based solution to monitor wireless networks	• Interest from several operators in Professional Services	
27		Bedtime	Solution to remotely switch-on and off end users' telecom equipment such as cell phone, PC, tablet, etc.	• Under discussion as part of corporate social responsibility initiatives at Alcatel-Lucent	
28		ChanLme	Personalized TV channel live or time-shifted based on user profile	• On hold	
29		SDC	Solution for timesharing of machine-to-machine (M2M) communication links	• Stopped	
30		Broadcast over Cellular	Cellular technology for the broadcast world with remote radio head	• Best Project Award, Season 6 • Not of interest to Alcatel-Lucent	• Spun off in 2013 as part of a contract with the three-member project team, which took over the IP rights and resigned from Alcatel-Lucent. It floated its own venture which was closed in 2014.
31		TESS	Wireless and wireline solutions for robots used to replace humans in hostile environments	• Discussions underway	
32		Quake Mobile Systems	Stress-test service to rise above the data storm	• On hold	

Source: Company files.