

Revealed: the reality of France's biggest firms and the country's vibrant AI startup and research scene



Les Echos

The SBF 120, a French stock market index based on the 120 most actively traded stocks listed in Paris, have fallen considerably behind in their relations with AI startups and research institutions: only 37 per cent of them have ongoing relations with innovators in the field of AI.

French excellence in AI research is cut off from the real economy: 77 per cent of SBF 120 companies have no relations with AI research institutions.

The study places France in second place behind the UK, but ahead of Germany for AI startups.

LONDON, England 22 May 2019 | VivaTech, an annual technology conference dedicated to innovation and startups, was held from 16 to 18 May 2019 in Paris. For this big event, Sidetrade (Euronext Growth: ALBFR.PA), the Artificial Intelligence platform dedicated to the B2B customer lifecycle, and Les Echos, the leading French financial newspaper, joined forces to publish a report on the state of collaboration between SBF 120 companies, and AI startups and research institutions.

A first-of-its-kind study by Sidetrade and Les Echos: French AI startups and research institutions, a growth engine in danger of stalling

Given how quickly the AI industry is moving, and how much is at stake, Sidetrade and Les Echos have released a study called: **The reality of SBF 120 relations with French AI startups and research institutions.**

With a growing number of private and public AI initiatives in France, the Sidetrade-Les Echos study examined how the 120 largest listed companies on the Paris Stock Exchange with the sharpest minds in AI research (those at 416 cutting-edge organizations).

The study, released on Wednesday 15th, comes to two main conclusions:

- 1. SBF 120 companies have fallen alarmingly behind in collaborating with AI startups and research institutions**
- 2. Fundamental research in AI appears to be cut off from the real economy**

To accomplish this, Sidetrade's AI scoured public web data for information implying business ties (e.g. R&D projects, patents, or fund raising; common owners or executives; product cross references). Although such a method cannot be exhaustive— not all projects are made public— it does give a very precise picture of relations between France's biggest corporations and the country's AI research institutions and startups.

What the study shows is an apparent gulf between the life forces of the AI ecosystem and the SBF 120 companies:

- **63 per cent of SBF 120 have no relations with AI startups and research institutions**
- **77 per cent of SBF 120 have no relations with AI research institutions**
- **5 per cent links with the SBF 120 are links with CAC 40 companies (largest 40 within the top 120)**
- **65 per cent of the CAC 40, 40 most significant stocks among the 12 largest market caps on the Paris Stock Exchange, works with the AI innovators identified in the study**
- **85 per cent of the SBF 120 excluding the CAC40 has no relations with the AI innovators**



In France, AI is facing a disturbing contradiction, and we need an answer urgently. On the one hand, our country is recognized (not undeservedly) for the excellence of its engineering institutions, R&D and French Tech startups. On the other hand, French endeavors in AI have been hugely overshadowed by the dizzying technological advances of the Americans and the Chinese. This is likely to challenge the business models of some of our leading corporations.

The Sidetrade-Les Echos study sheds light on this French paradox. The conclusion is edifying: the AI ecosystem mostly remains partitioned into three disconnected area: big businesses, startups and research institutions. The level of collaboration among these three players is astonishingly little way below a level that could yield any practical results.

It is now high time that public authorities facilitate public-private cooperation in AI, and that corporations enlist the expertise of startups and research institutions for their AI projects. This is the way to achieve sustainable success. ”

Olivier Novasque, CEO, Sidetrade

The state of French AI: 333 startups and 23 research institutions clearly identified

Sidetrade built up its NLP algorithms by analyzing millions of records from public data bases (e.g. INSEE, BPI, France IA) cross-referenced with unstructured information (e.g. products, projects, links) harvested from the websites of the main players in French AI.



Using Sidetrade algorithmic technology to analyze corporate website data for semantic similarity has provided a much wider view than previous surveys.”

Dr. Clément Chastagnol, Head of Data Science, Sidetrade

Sidetrade identified 413 AI startups in France with similar characteristics (sales under €10m and fewer than 200 employees), and 23 research institutions truly involved in AI. Then, using NLP technology, Sidetrade analyzed disparate information from these organizations’ websites and social media pages to precisely map organizations with real links to an SBF 120 company.

The study reveals relations between innovative AI organizations and SBF 120 companies. The mapping shows **416 key players in France**, consisting of **333 startups** (less than 10 years old) and **23 research institutions**. The study further reveals that **23 of these institutions represent 80 labs** actively involved in AI.



This count, which is much higher than commonly believed, supports the view of mathematician Cédric Villani, author of “AI for Humanity”, that France has the biggest AI ecosystem on the continent.”

Dr. Clément Chastagnol, Head of Data Science, Sidetrade

The Sidetrade-Les Echos study uses unique methodology to provide specialists, industry observers and public authorities with an objective review of the French AI ecosystem. The study is based on Natural Language Processing (NLP) algorithms developed by Sidetrade to identify different types of French collaboration in the AI area. It is an uncompromising appraisal of how the stars of the French economy (the SBF 120) do or do not work with other players in the highly respected French AI ecosystem: startups and research institutions such as CNRS, INRIA, and universities.

The Sidetrade-Les Echos study ranks five segments which are most representative of the AI innovators:

- Labs & Research
- Fintech & Insurtech
- Other AI Technologies
- Biotech & Health
- Martech & Adtech

The Sidetrade-Les Echos study ranks five SBF 120 firms with the strongest ties to AI startups and research institutions in France:

- BNP Paribas
- Société Générale
- Sanofi
- Eurazeo
- Groupe ADP

“AI is a crucial ground-breaking technology, and yet 77% of the top French companies still have no relations with AI research institutions. It is alarming that big businesses are so cut off from our research. It is no wonder that France is seeing an AI brain drain even though we are at the dawning of a new industrial revolution. In the race for innovation, there is now a multitude of long experiments without a real financial return. Too many pilot projects never reach industrialization stage blocking the emergence of future unicorns. In the meantime, French big business is falling steadily further behind in AI.”

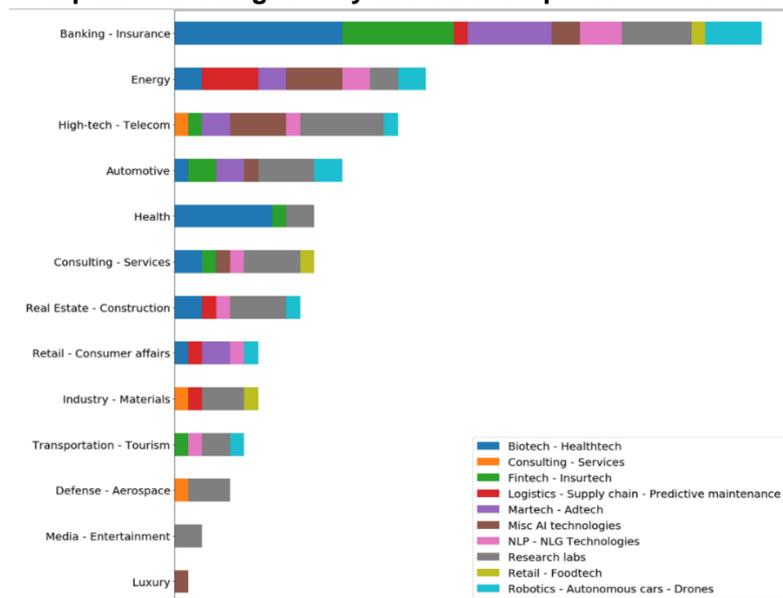
Clément Chastagnol, Head of Data Science, Sidetrade

Too many pilot projects fail to pass the industrialization stage, preventing the emergence of future unicorns

High tech & Telecom, Banking & Insurance, and Energy are the three SBF 120 sectors with closest ties to AI startups and research institutions.

According to the Sidetrade-Les Echos survey, Telecom, Banking & Insurance, and Energy businesses are the SBF 120 companies which work most closely with AI innovators.

SBF 120 companies working closely with AI startups and research institutions



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By committing €1.5bn to #AIForHumanity, French President Emmanuel Macron showed that his administration sees Artificial Intelligence as a watershed opportunity that French businesses cannot afford to miss. Artificial Intelligence is indeed the next industrial revolution. French talents must be mobilized to stay competitive in a game heavily dominated by Google, Amazon, Facebook, and Apple (GAFA) and Baidu, Tencent and Xiaomi (BATX).

There have been plenty of reports enumerating French initiatives in the field, lauding the quality of fundamental research in the country, the excellence of their engineers, and the dynamism of FrenchTech. However, few studies have actually explored the realities of the AI ecosystem. Do French corporations really collaborate with AI startups and research institutions?

The full Sidetrade-Les Echos report **The reality of SBF 120 relations with French AI startups and research institutions** is available on www.sidetrade.com

Next communications

After AGM: 20 June 2019, Sidetrade Headquarters (11:00 am – 12:30 am)
2019 S1 Revenue: 23 July 2019 (after stock market close)

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About Sidetrade (www.sidetrade.com)

Sidetrade (Euronext Growth: ALBFR.PA) facilitates growth by laying the cornerstones of the customer journey: prospecting, development, loyalty and satisfaction. Integrated with your CRM and your ERP, Sidetrade's revolutionary AI system called Aimie reveals unseen factors that can generate leads, drive sales, improve cashflow and shorten payment time. Over 1,500 businesses in 80 countries use Sidetrade technology to give their Marketing, Sales and Finance teams a competitive edge.

For further information, visit us at www.sidetrade.com and follow us on Twitter [@Sidetrade](https://twitter.com/Sidetrade).

In case of a discrepancy between the French and English versions of this press release, only the French version should be deemed valid.

The reality of SBF 120 relations with French AI startups and research institutions

An exclusive study by Sidetrade and Les Echos

Methodology

Several recent studies have brought to light that French businesses are falling behind in AI investment and development. An abundance of career opportunities abroad has been siphoning off top French computer scientists. (Prof. [Yann Lecun](#) and Dr. [Luc Julia](#) are among the most famous.). Nevertheless, a number of promising young French talents are coming up with exciting applications based on artificial intelligence technologies.

An exclusive study by Sidetrade and Les Echos released Wednesday, 15 May 2019, examines relations between French startups specialized in Artificial intelligence, and France's biggest companies in different economic sectors. The scope of the study is the 120 biggest companies listed in Paris according to the [SBF 120](#) stock index.

I. Who are the key players in French AI?

To establish a relevant and reliable list of French AI startups, we started with existing Sidetrade data (e.g. [INPI](#), [BPI](#), and [France IA](#)). This information is then enriched using **Sidetrade Smart Explorer technology**, which uses AI to run powerful searches on companies using key words such as "Machine Learning", "Deep learning" or "NLP" (Natural Language processing). The search engine returns a list of all the businesses that mention the selected keywords on their websites and social network pages. Selecting the information on a given company brings up a list of similar firms. This information is used to extend the search and increase our startup database.

a. Definition of an AI startup

The Sidetrade-Les Echos study uses the following criteria to define a startup

- gross sales under €10m
- fewer than 200 employees
- established less than 10 years ago
- based in France

The startups based in France are further sorted by their AI characteristics. A startup is said to be "AI" if it provides a solution or product based on artificial intelligence. An AI startup may also provide tools for using artificial intelligence technologies. Information which may identify a company as AI are gathered, for example, from their corporate webpage, their LinkedIn profile, or mentions of the company in the press. The data is then double-checked manually to make sure the firm really is a start-up specialized in AI.

b. Laboratories

Our study includes French research institutions, such as university labs and national research institutes. These organizations were identified using Sidetrade [ScanR](#), a specialized search engine solution developed by Sidetrade for the French Ministry of Higher Education and Research. ScanR uses a technology similar to that of **Sidetrade Smart Explorer**, but whereas Smart Explorer searches websites and social networks for business data using search criteria such as revenue or headcount, ScanR scans the web for information on research institutions, using AI search criteria.

For example, ScanR can identify research institutions by scanning for known AI researchers' names, (which often implies the person's organization is an AI lab); or for a reference to AI in a curriculum (which often implies that there is a university AI lab).

Most relations between research institutions and other organizations concern research projects. Nevertheless, even if an institution has an AI department, this does not necessarily mean that all the projects concern artificial

intelligence. Therefore, each of the collaborative projects found by ScanR were doublechecked manually to make sure they were actually AI. Only relevant research projects were retained for the Sidetrade-Les Echos study.

c. Scope

413 AI startups in France were identified on the basis of revenues, headcount, and less than 10 years' existence. This gives us the following scope:



II. Segments used

Ten trades are used to segment AI businesses

- **NLP & NLG technologies** (natural language processing, natural language generation)
- **Logistics, Supply chain, & Predictive maintenance** (optimization of deliveries)
- **Robotics, Self-driving vehicles, & Drones**
- **Fintech & Insurtech**
- **Martech - Adtech** (predictive marketing, automated sales, smart advertising)
- **Biotech & Healthcare**
- **Consulting & Services**
- **Retail & Foodtech** (mostly B2C)
- **Other AI technologies** (Data Science solutions, AI applications)
- **Research labs**

Sectors within the SBF 120

- Luxury
- Defense & Aerospace
- Media & Entertainment
- Retail & Consumer products
- Heavy industry & Materials
- Healthcare
- Consulting & Services
- Automotive
- Transport & Tourism
- Real estate & Construction
- Energy
- Banking & Insurance
- High tech & Telecom

III. Relations between startups and the SBF 120

The next step was to explore links found between IA research organizations and SBF 120 corporations.

Five main types of connections were found:

- **joint R&D projects** and jointly filed patents
- **investments** through fundraising
- **common executives**
- **common owners**
- **references** on corporate website to partnerships with a startup or use of a startup's products.

These connections were established with **direct** and **indirect criteria**:

- **direct:** the startup works directly with an SBF 120 company
- **indirect:** the startup works with an SBF 120 company through one of its affiliates

SBF 120 companies having at least one connection with a startup or research institution:

Luxury	L'Oréal
Defense & Aerospace	Thales, Airbus
Media & Entertainment	Technicolor, Publicis
Retail & Consumer goods	Fnac Darty, Carrefour, SEB, Danone
Heavy industry & Materials	ArcelorMittal, STMicroelectronics, Arkema, Soitec, Saint-Gobain
Healthcare	Sanofi
Consulting & Services	Sopra Steria, Altran, Atos, Capgemini
Automotive	Valeo, Groupe PSA, Renault
Transport & Tourism	Accor, Alstom, Groupe ADP
Real estate & Construction	Vinci, Eiffage, Klépierre
Energy	Air Liquide, EDF, Engie, Schneider Electric, Total, Veolia
Banking & Insurance	Eurazeo, BNP Paribas, Société Générale, AXA, CNP Assurances, Amundi
High tech & Telecom	Bouygues, Orange, Iliad, Gemalto