

# Research on Countermeasures for the Development of Public Innovation Space in Lanzhou City under the Dual Circulation Horizon

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## Abstract

The advent of the era of innovation and entrepreneurship has led to the emergence of many emerging industries, and the co-creation space is one of the major representatives. Under the trend of China's full promotion of entrepreneurship and innovation, Lanzhou City conscientiously implemented the "Several Measures to Support Scientific and Technological Innovation in Gansu Province", and in 2017, Lanzhou City planned to implement and develop the "5 2 Project" of co-creation space, and subsidized and subsidized co-creation spaces that meet the support conditions to help their development. In 2022, the development trend of Lanzhou public innovation space should not be underestimated. At present, there are relatively few surveys on Lanzhou co-creation space, this paper is mainly carried out in a variety of ways such as field research and questionnaire survey, which will play a role in promoting co-creation space, and the article mainly analyzes the current operation mode and current situation of Lanzhou co-creation space and puts forward several feasible suggestions.

## Keywords

Co-creation Space; Innovation and Entrepreneurship; Operation Subject; Characteristic Development; Profit Point.

## 1. Background and Overview of Co-working Space

The term "crowdspace" was first introduced in China by Premier Li Keqiang in September 2014, and since then, a new wave of mass innovation and innovation has been raised in the society in the next few years, and joining the development and construction of new industries has become the new trend of social development. China's crowdsourcing spaces have actually gone through three stages of development over the years. The first stage is at the early stage of development, and the operators mainly rely on rent collection to obtain profit, which is a single way to obtain revenue, and as we can learn from the Notice issued by the State Council in December 2014, except for the tax administration authority stipulated by relevant laws and regulations, each region is not allowed to formulate its own tax preferential policies during this period. In this period, it was more difficult for the crowdsourcing space to survive and develop. In the second stage, while rent is still the main income, the operators also provide services to obtain profit, and the profit model of crowdsourcing spaces begins to diversify. In addition, the obvious feature of the second stage is that the state has increased the policy support and government subsidies for the crowdsourcing spaces, and has facilitated and simplified the registration of new incubation institutions such as crowdsourcing spaces, and supported the development of better regions to subsidize crowdsourcing spaces. However, under this situation, many problems were gradually exposed, and the quality of incubation carriers gradually varied during this period, which we call the explosive growth stage. The third stage, after experiencing the wild growth of the first two stages, has been further enhanced in terms of profit model and service level, and the operators have more insights and knowledge about obtaining profits and operation models, and the country has found a lot of development opportunities, intending to

cultivate such a new group of entrepreneurial enterprises, which can grow out of the backbone of future economic development and form new This has led to the formation of a good trend of working together to create a benign entrepreneurial ecosystem, which we call the era of refined operations.

In essence, crowdsourcing space is an effective service platform that follows the new trend of the Internet era and aims at providing comprehensive and convenient services for entrepreneurial teams and emerging micro and small enterprises to help them realize social value.

At present, crowdsourcing spaces in China have diversified into various models, including training and guidance, entrepreneurial activity aggregation, and product services, through which creators can exchange and share experiences and ideas, share information, and receive professional guidance. At the same time, creators can also rely on this platform to access quality entrepreneurial projects and receive good financing services. In addition, there are new incubation models such as the promotion of makerspace and startup coffee. These incubation models with new services, new models and new ecological features can not only provide space for entrepreneurs to communicate, but also provide customized personalized services for the creators. Each of these models is working together to build a professional and market-oriented crowdsourcing space.

## **2. Current Situation of Crowdsourcing Space Development**

### **2.1. Looking at the Current Situation of the Whole Country**

In recent years, with the support of policies, the number of crowdsourcing spaces in China has been growing continuously, and the country is actively promoting the "three new" work, which has led to the rapid development of crowdsourcing spaces. One of the obvious features is the regionalization. The distribution and development of new industries such as crowdsourcing spaces are closely related to the level of regional development and resource capacity. In terms of regional distribution, compared with the western, central and northeastern regions, the development of crowdsourcing spaces in the eastern region of China is relatively fast, with the first-tier cities taking the lead and other cities following. In addition, the diversity of operating entities is also a significant feature. Various types of operating entities are practicing different operating concepts, resulting in many new models and forms of innovation and entrepreneurship. At present, there are three types of mainstream forms in China, including resource matching, co-working and entrepreneurial service, which play an important role in improving the success rate of startups and attracting high-tech talents' investment, and also play an effective role in promoting regional economic development.

According to the statistics, at the end of 2017, the number of crowdsourcing spaces in China has reached 5739, and by 2018, it reached 6959, and by the end of 2019, the number of crowdsourcing spaces in China has reached 8000, and 1888 national record crowdsourcing spaces. In 2020, there are 2386 state-recorded crowdspaces in China. And in 2021, the number of crowdspaces in China will reach 9,000. At present, the national trend of crowdspace construction is getting more and more enthusiastic, but there is still a gap between the development of the western region and the national status quo, and the western region should be in the process of catching up with all efforts.

### **2.2. Status of Development in Lanzhou City**

#### **2.2.1. Government Support and Vigorous Development**

In recent years, the Lanzhou Municipal Government has responded to the national call and strongly supported the promotion and development of the city in the field of innovation and entrepreneurship, and supported the synergy and progress of the city's small and medium-

sized enterprises, universities and research institutes in the construction of crowdsourcing spaces, with the intention of creating a number of high-quality and highly professional crowdsourcing spaces. In order to better ensure that the crowdsourcing spaces in Lanzhou City are well cultivated, Lanzhou City has issued a number of regulations to establish the conditions for identifying Lanzhou City-level crowdsourcing spaces, and introduced the "Lanzhou City Crowdsourcing Space Identification and Management Measures", which gives clear 9 requirements in terms of talents, funds, facilities and teams, and strictly prevents operating entities that are not standardized, not rigorous, and have bad behaviors such as serious breach of trust from making a mistake. It establishes the regulations for the recognition of funding for crowdsourcing spaces in Lanzhou City, formulates the implementation plan for supporting the development of crowdsourcing spaces in Lanzhou City, supports the development of crowdsourcing spaces on the 5 2 projects, supports the development of qualified new incubation industries, university student parks and incubation bases, and rewards and funds the qualified crowdsourcing spaces in terms of infrastructure, communication service platforms and training activities. Besides, special support policies are issued and designated for innovation and entrepreneurship demonstration zones and a street for entrepreneurship demonstration, and a variety of innovation and entrepreneurship exchange and sharing activities are opened, and entrepreneurship-type competitions and entrepreneurship exchange forums are held and carried out. We strive to vigorously drive the number of entrepreneurship in the city with government support and vigorously increase the incentives for the development of crowdsourcing spaces in Lanzhou.

### **2.2.2. Focus on Diversification**

At present, the crowdsourcing space in Lanzhou City has gradually transitioned from a single operation and government-led to a diversified model with the participation of universities and research institutes. The diversified development has led to the emergence of high-quality enterprises and the improvement of the ecological environment for innovation and entrepreneurship. In recent years, Lanzhou City has developed and built the modern agriculture-oriented Lanzhou Xinyuan Crowdspace, which has formed its own strong characteristics in terms of service level and technology research. As well as the comprehensive service-oriented Xisoft Crowdspace, Lanzhou Xisoft Crowdspace was officially inaugurated in 2016, and after just a few years of development, Xisoft Crowdspace has become one of the relatively largest Internet innovation enterprises in Lanzhou's Anning District, and they have now welcomed a number of well-known Internet enterprises from Beijing and Shanghai to settle in. In addition, Lanzhou City has also made efforts to cultivate the science and technology entrepreneurial Haiyi Crowdspace, the Silk Road E-commerce Industry Incubation Park and the Lanzhou Cultural Tourism Creative Industrial Park. Besides, in the research of some small crowdsourcing spaces in Lanzhou, it can be seen that some crowdsourcing spaces are working to develop into diversified places for art, Internet and office, etc. Lanzhou City has made it a goal to build out high-quality enterprises, which is also a powerful measure to promote the economy to achieve high-quality development.

### **2.2.3. Data Level**

According to the data, in 2017, our province accounted for 16 crowdsourcing spaces in the list of national record crowdsourcing spaces, 10 of which belong to Lanzhou crowdsourcing space. The total number of crowdsourcing spaces incorporated by the Ministry of Science and Technology in our province reached 211. As of 2019, 106 crowdsourcing spaces of various categories in Lanzhou City have reached the municipal level or above, including 23 national record crowdsourcing spaces and 66 provincial crowdsourcing spaces, ranking first in the province in total. In 2020, there are 44 science and technology business incubators in Lanzhou City, and the crowdsourcing area has reached 745,520,000 square meters, with a total of 508 startup teams and more than 600 graduated enterprises. By

May 2021, Lanzhou City has reached 70 provincial-level crowdsourcing spaces, and the total number still ranks first in the province.

### **3. Existing Problems**

#### **3.1. Most Crowdsourcing Spaces are Small in Scale and Homogenized**

The number of crowdsourcing spaces in Lanzhou is increasing year by year, but through the survey, we found that most of them are private enterprises, and although private enterprises have been developed more scientifically in China in recent years, it still has many problems in the system and market. Compared with state-owned enterprises, the status of private enterprises is relatively low, and the tax burden they bear is relatively heavy. The combination of external and internal pressures largely limits their development, and also leads to difficulties in the survival and development of entrepreneurial teams. Crowdsourcing spaces such as coffee salons, whose profits are maintained only by membership and catering services, will be more and more limited in the long run.

#### **3.2. Shortage of High-Level Professional Service Personnel**

A good development environment depends not only on market demand and economic development, but also on the input of professional talents. At present, to a certain extent, the phenomenon of "modeling" still exists. Some of the crowdsourcing spaces lack professional talents and their management level is not high enough, and their operation mode is to imitate the mode of established crowdsourcing spaces. "The lack of innovation ability and the lack of competitiveness of the industry have led to the situation that quality enterprises are becoming more quality and "model" enterprises are becoming more model, resulting in the phenomenon that the quantity of crowdsource spaces is greater than the quality, and the lack of development ability of front-end talents also limits the awareness of later talents to crowdsource spaces. Due to the lack of development ability of front-end talents, the introduction of specialized talents is not in place, which limits the diversified development of crowdsourcing spaces.

#### **3.3. The Profit Model is Generally Single**

The crowdsourcing space in Lanzhou City mainly relies on charging a certain amount of rent by providing space services and gaining revenue by charging the fees related to the resident creator teams. On the one hand, such a simple profit model is influenced by the tenants' ability to pay, and most of the startup teams and enterprises are prone to financial problems in the early stage of their business, which makes the crowdsource spaces in a single profit model not very stable income. On the other hand, although there are government support policies, such external support is difficult to obtain and transient. Some of the crowdsource spaces in Lanzhou adopt a new business incubation model, such as operating a business coffee, but because of the failure to fully analyze this new incubation model, many of the crowdsource spaces in Lanzhou are using coffee and workplace fees as a source of profit, so it is difficult to achieve a break-even. In the long run, the profit model is not diversified enough, so the operators will be more and more limited, and it is difficult to develop and grow.

#### **3.4. The Use of the Internet is not Strong**

In the Internet era, the focus of competition on the Internet is shifting from individual consumers to enterprises, and it can be said that it is just the right time for deeper education in the field and deeper plowing in the industry. And industrial Internet as a development direction with thickness, whether it has been developed or is currently developing new industries, should make every effort to move into it. According to the survey, the Internet thinking of Lanzhou city is not strong in the following aspects: many of Lanzhou city's crowdsource spaces are not sufficiently capable of operating on the Internet, and the operating body does not have too much

detailed information on the Internet about the details of the charges and service scope that creators are concerned about. Many crowdsourcing spaces do not use online and offline methods to serve the public.

## **4. Suggestions for the Development of Crowdsourcing Spaces in Lanzhou**

### **4.1. Play the Leading Role of Leading Enterprises**

As the most dynamic and development-capable business entity in the modern management system, the leading enterprises should play their due role in driving the development of small enterprises. They should give full play to their own advantages, import advanced elements, promote the adjustment and optimization of industrial structure, play their own advantages of fast grasp of market information, continue to improve internally and cultivate new industries externally with their own management, technology and operation capabilities, promote the development of industrial operation mode and business mode, and help the growth of new industries. To promote the development of diversification, drive the change of development mode, and help the growth of new industries, so as to create a good competitive environment for innovation and entrepreneurship, and promote the maturity of innovation and entrepreneurship environment.

### **4.2. Strengthen the Construction of Internet Innovation Platform**

The creators should strengthen their own thinking of using the Internet, build a special sharing platform, integrate various resources such as universities and research institutes, share and exchange information through the platform, and share technological innovation achievements. In addition, while strengthening the construction of Internet innovation platforms, attention should be paid to the five basic elements of demand scale, demand degree, role type, role requirements and key nodes. The operating entity can make good publicity and introduction for its own industry through the Internet platform, develop more personalized services for customers, do Internet transaction-type platform services, strengthen the digitization, interconnection and intelligence of the whole industry, create a good entrepreneurial atmosphere, and encourage the expansion in technological innovation and Internet construction.

### **4.3. Strengthen the Introduction and Training of High-Tech Professionals**

The introduction of talents is one of the basic elements to enhance the innovation level of Lanzhou's crowdsourcing spaces. To strengthen the input of talents to Lanzhou's crowdsourcing spaces, material incentives are essential. In order to strengthen the training and introduction of innovative and entrepreneurial talents, on the one hand, we can attract more talents to join the construction of Lanzhou's crowdsourcing spaces by improving policies and increasing financial support, so as to effectively protect the rights and interests of entrepreneurs and, to a certain extent, reduce their pressure. On the other hand, in addition to material incentives, we should make scientific introduction plans and provide a good career platform. For high-end quality talents, we should make personalized introduction policies, so that these talents can be used on the development blade. In the introduction of talent, we should strive to avoid the misconception of "quantity, not quality", which is not conducive to the long-term development of talent. After the introduction of talents, we can also hold several activities such as entrepreneurship training, technical training, management training and operation mode exchange, so that entrepreneurs can get more communication and improvement, and cultivate a stronger atmosphere of innovation and entrepreneurship.

#### 4.4. Increase Efforts to Promote its Characteristic Development and Create New Profit Points

The development of industrial characteristics is the only way for the industry to move towards high-quality development. Focusing on the development law and market analysis of the characteristic development of crowdsourcing creation space can further realize the creation of a sustainable entrepreneurial ecosystem. In Lanzhou City, the majority of private crowdsourcing spaces are in the private sector, but based on the characteristics of institutional flexibility of private crowdsourcing spaces, private crowdsourcing spaces are organically combined with local industries to explore new development models and characteristics, and focus on building the core competitiveness of private crowdsourcing spaces to narrow the gap between them and state-owned enterprises to a certain extent, and also strengthen the support and encouragement in terms of policies. At the same time, in order to make the crowdsourcing space really strong, it is necessary to explore diversified profit models and accelerate its differentiated and specialized development while promoting the characteristic development. For the diversified profit model, we can attract customers with characteristic space design, set characteristic services for customers, and attract social capital through activities, etc.

### 5. Conclusion

The development of every new industry requires constant updating and upgrading. In order to realize the sustainable development of Lanzhou crowdsourcing creation space, it is necessary to give full play to its local advantages, strengthen its internal management system, focus on the diversified development of Lanzhou crowdsourcing creation space, build multiple investment and financing channels, create a platform for technology exchange and information sharing, and give full play to the technological research and development advantages of universities and research institutes to carry out the transformation of achievements and expand the It also gives full play to the technological research and development advantages of universities and research institutes, carries out the transformation of achievements, and expands the incubation function, so as to realize the characteristic, professional and novel development of crowdsourcing creation space. At the same time, the development of crowdsourcing spaces requires strict requirements and support from the government, preventing all irregularities, controlling the qualification and subsidies, encouraging the diversification of high-quality enterprises, and finally realizing the high-quality development of crowdsourcing spaces in Lanzhou.

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