



INNOVA FOSTER

FOSTERING STARTUP & INNOVATION ECOSYSTEMS IN EUROPE

**Executive Summary of the
Good Practices Study**

Index Number: PGI02237



1. INTRODUCTION: DESCRIPTION OF THE CHALLENGE AND THE PROPOSED APPROACH

SMEs are the backbone of the European economy. They represent 99.8% of European companies, employ over 90 million people and generate 56.8% of value added in the EU-28 non-financial business sector.¹ Recognizing their importance, the EC implemented the **“Small Business Act” for Europe** (SBA)² that provides “a comprehensive SME policy framework, promotes entrepreneurship and anchors the ‘Think Small First’ principle in law and policy making to strengthen SMEs’ competitiveness”.

Furthermore, in an effort to underline the importance of regions in the implementation of the SBA, the Interreg Europe Programme, through its Policy Learning Platform, has published the policy brief **“The role of regions in the implementation of the Small Business Act for Europe”**. This document posits that regional authorities are closer to SMEs, have better information about regional economic structure and have a better understanding of local companies’ needs.



Startups are a special case within SMEs because as stated in the Entrepreneurship 2020 Action Plan³:

- Entrepreneurship makes economies more competitive and innovative;
- Commercializing new ideas creates wealth;
- Without the jobs created by startups average net employment growth in Europe would be negative.

This action plan goes on to state that in order **“to make entrepreneurship the growth engine of our economy Europe needs a thorough, far-reaching cultural change”**. This is because European entrepreneurs face a challenging environment where education does not provide the right foundation for entrepreneurs, access to markets and credit is difficult, there is a fear of punitive sanctions in case of failure and procedures are bureaucratic. Furthermore, the document states that there is “a widespread culture that does not recognise or reward entrepreneurial endeavours enough”.

In addition, there is a significant gap in Europe in the number of startups that successfully reach the scaleup stage. Although Europe has come to be on par with the United States in the number of startups, only a comparatively small percentage of these companies grow into larger firms. According to a communication from the European Commission titled “Europe's next leaders: The Start-up and Scale-up Initiative”, up to **1 million new jobs could be created in the EU** in the next 20 years **if the share of scaleups would match that of the US**.⁴

It is therefore undeniable that SMEs, and startups in particular, play a pivotal role in providing smart sustainable growth and the creation of jobs in Europe. As such, it is of the utmost importance to support entrepreneurs and startups in their journey towards growth.

¹ <https://ec.europa.eu/docsroom/documents/32601/attachments/1/translations/en/renditions/native>

² https://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act_en

³ https://ec.europa.eu/growth/smes/promoting-entrepreneurship/action-plan_en

⁴ https://ec.europa.eu/growth/content/europes-next-leaders-start-and-scale-initiative-1_en

INNOVA FOSTER aims at leveraging Startups (**scalable, high-potential SMEs with less than 5 years of life**) growth through their engagement into the innovation processes at local or regional level and improving their role as regional and industry innovation providers in **seven European regions**, and hence, the results of the **7 policies addressed** by the project, with their engagement into the innovation processes as regional and industry innovation providers.

Fig. 1. Innova Foster Partners

Role	Partner	Policy	Country
Lead Partner	INCYDE Foundation	Spanish Smart Growth Operative Programme	Spain
Partner	Torun Regional Development Agency	Torun Regional Development Strategy	Poland
Partner	Oldham Metropolitan Borough Council (OMBC)	Greater Manchester European Structural Investment Fund	United Kingdom
Partner	Cork City Council	Southern & Eastern Regional Operational Programme 2014 -2020	Ireland
Partner	Malta Enterprise	ERDF OP1 – Enhancing the competitiveness of SMEs	Malta
Partner	Scientific Research Centre Bistra Ptuj	Operational Programme for the Implementation of the EU Cohesion Policy in the Period 2014-2020-- REGIONAL Development Programme of Podravje Region 2014-2020	Slovenia
Partner	Tartu City Government	The development strategy "Tartu 2030"	Estonia

Source: Innova Foster

For this purpose, Innova Foster includes **interregional visits, local stakeholders engagement and joint research** into improvement of regional and local policies and programmes to support the growth of high-potential SMEs to make them ramp-up growth and get global.

In order to exchange knowledge and create their own policy-mix and **Action Plan**, all Innova Foster partners have worked on an internal and external analysis of **Good Practices** about the regional situation of Startups and innovation ecosystems.

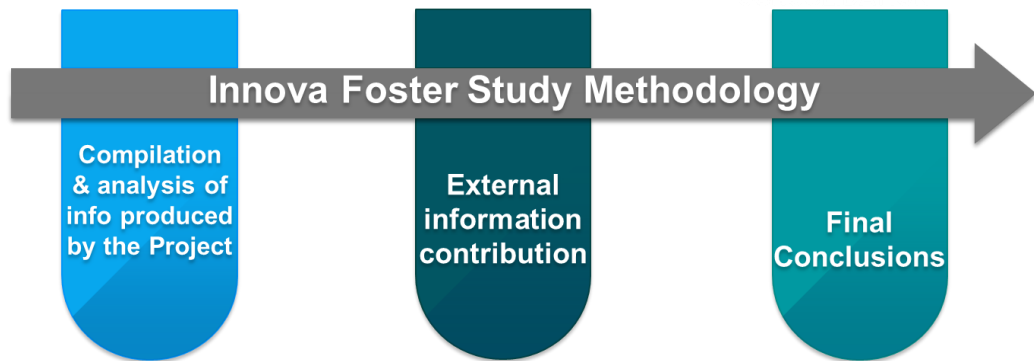
These Action Plans are implemented as demonstrators, de-risking the development and scale-up of novel service systems, encouraging engagement with stakeholders and users, sharing experience across Europe and identifying clusters of expertise and opportunities for partnership.

In order to **further amplify the impact and sustainability of the project results**, the present study is proposed, analysing the problematic object of the project as a whole, as well as the solutions or improvements identified, including good practices recommended.

2. METHODOLOGY

In order to create a solid foundation for the study, the process began with the analysis of the current situation of the support to the Startups growth on their role as regional and industry innovation providers within the partnering organizations, and other entities with relevant similarities, including three steps describe in the graphic below:

Fig. 2. Innova Foster Study definition process



Source: Innova Foster

These three steps contain the following specifics:

- **Compilation and analysis of the information** elaborated by the partners during the implementation of the project.
- Gathering of **external information** to enrich the study.
- **Final conclusions** are drawn from the analysis of all the information previously collected.

In summary, based on the results of all the previously defined actions, the present study was compiled.

3. LOCAL ECOSYSTEM DIAGNOSIS: SUMMARY SWOT

As part of the learning experience of the project, Innova Foster implemented interregional exchange visits, one hosted by each of the 7 partners. Within these visits, each hosting partner elaborated a **local ecosystem diagnosis** of their actual conditions regarding their local ecosystem of innovation and entrepreneurship.

For the purpose of this study we'll only briefly describe the main characteristics of each ecosystem. The full ecosystem diagnoses can be found on the Innova Foster website⁵.

INCYDE FOUNDATION, SPAIN

In Spain, the startup scene is booming with Madrid and Barcelona at the forefront as the main hubs of activity. The economic crisis has generated favourable conditions for the appearance of a greater number of startups such as low rent for working spaces and low wages. However, most new businesses are created out of necessity as a means of self-employment, and therefore these new businesses are low tech and service oriented (B2C). Furthermore, the general attitude towards risk and failure, and the social status of entrepreneurs, although improving, are still unfavourable to entrepreneurial activity. Nonetheless, the crisis seems to have created a new breed of entrepreneur and with increasing amounts of local funding available, these founders have created a new generation of world-class companies. There are numerous financial and tax incentives available and a variety of programmes that support research and innovation.

The country has a good network of science and technology parks, incubators and accelerators that support startups. In addition, the amount of funding available to startups has grown in the last few years, with a notable increase in seed and pre-seed capital. This growth can be partially explained by the appearance of new investors, mainly business angels and venture capital. Furthermore, globally recognised business schools are present locally so there is huge managerial potential. The availability of talent and the comparatively low costs of Madrid have attracted companies like Google and Amazon.

TORUN REGIONAL DEVELOPMENT AGENCY, POLAND

Poland is ranked 38th out of 127 countries in the Global Innovation Index, a ranking that assesses 81 indicators, including data on patent applications, political environment, education, infrastructure and business. When it comes to starting a business, the country is ranked 107th out 190 because of the bureaucracy and time required to start a new business. The Kuyavian-Pomeranian region has network of incubators and acceleration programmes that provide support to entrepreneurs, however the acceleration programmes need to be improved, especially in regard to the involvement of private funding.

Nowadays, local startups rely solely on EU funding for support and one of the region's main limitations is the number of local Venture Capital funds. Only three exist and all have public support. In addition, cooperation between universities/research centres and businesses is low and the general attitude towards risk and failure does not favour entrepreneurship.

⁵ <https://www.interregeurope.eu/innovafoster/local-diagnosis/>

OLDHAM METROPOLITAN BOROUGH COUNCIL, UNITED KINGDOM

Manchester ranks 15th out of 60 European cities in the European Digital City Index that measures how well different European cities support digital entrepreneurship. Oldham and the Greater Manchester area have seen rapid growth in startup numbers in recent years. This growth however is apparently connected to people who are now classed as self-employed as they move from unemployment into low/insecure work.

The region has fully operational private and public support programmes for startups. These programmes include support for livelihood startups (self-employment and early stage businesses), growth startups (companies with the potential to turnover 250,000 GBP or employ 5 staff within the first 3 years) and scale-ups. There is, however, a general lack of awareness amongst local businesses regarding the support that is available to them, even though there is a strong business support offer.

CORK CITY COUNCIL, IRELAND

In a strong pro-business environment, where innovation is a key source of competitive advantage, Ireland demonstrates the highest percentage of high-growth firms across the EU. The nature of Ireland's ecosystem makes it easy for key stakeholders involved in innovation to interact and Ireland has been cited as the most R&D effective country in the EU. Over the last 25 years, Cork has consistently attracted many of the world's largest companies and the region is now home to global market leaders in pharmaceuticals, healthcare, ICT, biotechnology, professional services and international financial services.

In Cork, the startup community is widely supported and the success of the region is characterised by the strong inter-agency partnerships and cross-community collaboration, all contributing to world class educational standards, good connectivity, strength in global business sectors, a thriving startup and SME sector and ability to attract talent and overseas investment. Nevertheless, there is still insufficient investment in key enabling infrastructure and technology.

MALTA ENTERPRISE, MALTA

Malta's central position in the Mediterranean makes it a highly strategic dynamic hub in Europe. Being one of the world's smallest and most densely populated countries its startup ecosystem especially booms in the e-gaming and online betting sector, and each month new tech-centric events and new ventures are happening. 39% of local startups were founded by 'immigrants' who state that the primary reason startups move to Malta is due to better regulation and policies.

However, some existing startups complain that the regulatory environment needs to be improved, namely bankruptcy laws and capital gains tax. In addition, the business - academia connections and the activity of private Venture Capital funds also require significant improvement.

SCIENTIFIC RESEARCH CENTRE BISTRA PTUJ, SLOVENIA

Slovenia is ranked 30th out of 190 countries in the World Bank's Doing Business Survey 2017, which compares regulatory conditions for doing business in different countries. In addition, Slovenia is one of the top 5 countries with the least number of procedures to start a new business and is the country where it is cheapest to launch a new corporation. Regarding innovation, Slovenia has the highest rate of SME collaboration in innovation with higher education or research in the OECD.

Although Slovenians hold successful entrepreneurs in high regard, their belief that entrepreneurship is a good career choice is much lower. Furthermore, the risk averse culture and weak local market also hinder entrepreneurship. The country has comparatively high labour costs and over the long-term businesses will face increasing recruitment difficulties due to a declining population and high emigration levels.

TARTU CITY GOVERNMENT, ESTONIA

Estonia has made a name for itself for the innovative application of communications technology. It has created a paperless society where you can even become an e-resident of the country and has one of the most liberal tax systems in the world (only corporate income tax is paid on dividends). Estonia has also created a startup visa that can be used by non-EU entrepreneurs who wish to be a part of the Estonian startup community and also by Estonian startups wishing to recruit foreign talent. The city of Tartu is home to a rapidly growing ICT ecosystem which has attracted the attention of venture capitalists as well as foreign ICT companies. In 2016, the city hosted more than 60 startup events involving over 5000 people.

The startup scene in Tartu is characterized by many startups, who have partially grown out of the large ICT companies and who supplement each other and form a well-working cluster. The startup community's prosperity can be largely attributed to the beneficial relationships that have developed among key players in Tartu. This has produced a nurturing and supportive ecosystem. And in working to make Tartu a truly attractive city for startup founders (from Tartu and beyond), strong and active cooperation has started to unfold among these key players (i.e sTARTUp Day). This entails developing partnerships among startup founders, the city government, Tartu University and others, that create win-win situations for all parties involved, while keeping an eye on the primary goal of continuing to improve the local startup ecosystem.

The analysis of the different ecosystems has shown that the regions participating in the Innova Foster consortium have different characteristics. The diversity of the partnership, although enriching from the knowledge exchange perspective, makes it difficult to draw conclusions that would apply to the consortium as a whole. As such, we centred our analysis in trying to identify **common strengths and weaknesses** among some regions and matching those weaknesses to the strengths of other partners in the consortium whenever possible.

Limited access to finance

The **need to develop regional Venture Capital** was identified by Torun, while Malta reported the need to **improve access to finance** in general and Tartu identified the **lack of domestic funding**. These four regions need to improve the funding options available to the start-up ecosystem.

Risk-averse culture

A **risk-averse culture** is one of the challenges faced by INCYDE, Torun, Malta and Bistra. Although cultural shifts are very hard to attain, especially in the framework of a 2-year action plan, some effort could be made towards improving the overall image of risk takers such as entrepreneurs. The pro-business environment and can-do attitude of the Irish ecosystem could be used as inspiration.

Education in entrepreneurship

Similarly, the need for more widespread and **better-quality education in entrepreneurship** was reported by Torun and Malta. Entrepreneurship in these countries could benefit from the inclusion or improvement of business and entrepreneurship related subjects in schools and universities.

Fiscal and legal framework

INCYDE, Torun and Malta also reported **fiscal, legal and bureaucracy issues** that make it hard to create or manage new businesses as a challenge in their respective regions. On the other hand, Estonia and Slovenia have created a business friendly legal and fiscal framework.

Brain drain

INCYDE, Torun, Oldham, Bistra and Tartu all identified **brain drain as a threat to their startup ecosystem**, as top talent from these regions is leaving in search of better career prospects. Fostering entrepreneurship as a viable and attractive career path may help retain top talent in those regions.

To put into perspective the main characteristics of these regional innovation ecosystems, a joint SWOT was prepared to summarize their shared features.

Fig. 3. Innova Foster partners aggregate SWOT analysis

STRENGTHS		WEAKNESSES	
<ul style="list-style-type: none"> • Healthy start-up ecosystem in most of the partnering regions. • Strong business support offer • Highly educated human capital 		<ul style="list-style-type: none"> • Poor dialogue and understanding of business needs • Limited access to finance • Risk-averse culture • Poor academia-Industry linkages 	
OPPORTUNITIES		THREATS	
<ul style="list-style-type: none"> • Increased awareness of business opportunities for SMEs • Multiple public & private support initiatives and education for new entrepreneurs 		<ul style="list-style-type: none"> • Brain drain • Legal and economic policies uncertainty (Brexit...) • Demographics: ageing society, youth migrations • Peripheral location /small domestic markets depending on the region 	

Source: Innova Foster

4. CASE STUDIES: GOOD PRACTICES IDENTIFIED

After careful analysis of all the learnings and exchange of experiences generated through Innova Foster's activities, the partner organizations, with input from their respective stakeholders, proceeded to collect the 14 good practices (2 per partner) that they considered most relevant. A brief explanation of these good practices is provided below.

INCYDE Foundation

Aerospace Incubator of Technological Transfer

The Aerospace High Tech Incubator is conceived as an infrastructure where, equipment, knowledge and transfer of technology are crucial. In addition to having appropriate and specialized infrastructure and equipment (laboratories, testing rooms, demonstration rooms, etc.), the incubator has a Partner Network that provides scientific and business advisory services, financing instruments, internationalization actions, patent and brand registration and maintenance, software and technological applications, project checking and validation platforms, etc.

Inclusive Entrepreneurship Model (Barcelona Activa)

The IEM's aim is to coach entrepreneurs from their business idea to the setting up of their company. It is a genuine solution that mainly combines the economic and social dimension using physical and on-line channels to provide the services, offering both individual and group coaching and in cooperation with the city's ecosystem.

Torun Regional Development Agency

Support for Academic Entrepreneurship - Kuyavian and Pomeranian region

The practice consists of competitions conducted to support research and development processes in academic enterprises and provide support for spin-off enterprises by: covering the costs of R&D work; covering the costs related to submitting a patent, utility model or industrial design in order to obtain protection, as well as patent analysis; creating or developing R&D facilities in spin-off enterprises, in particular the purchase of fixed and intangible assets.

Startup Weekend Torun

Startup Weekend is a 54-hour event supported by Google and Techstars. The event is for individuals who have ideas for innovative solutions or new businesses and who want to put them into practice. It is an event that helps to build a startup community, startup culture and creating impact in local city or region. The participants have to build the team with whom they would like to share their ideas and create the company. The aim is to create a prototype of an online product or service – portals, mobile apps, shops.



Oldham Metropolitan Borough Council

GC Mentoring Programme

The programme provides an opportunity for businesses to access direct experience free of charge via experienced mentors that are suited to the mentees needs and preferences. SMEs are referred to the GC Business Growth Hub through the various in-house business support programmes. They are referred after they have already received support for the business and are now looking for personal development through the use of a mentor on a particular topic/challenge.

VentureFest North West

The event helps businesses find funding and support to suit their needs. It brings together the region's innovators, entrepreneurs and investors to facilitate business connections, growth opportunities and new ideas. The event also features the "Innovation Showcase Competition" that enables businesses to promote their latest products, services and innovations. It also provides "Meet the Funder" sessions (one-to-one 'speed meetings' with various funders/investors matched to their business profile and funding requirements).



Cork City Council

Innovation Vouchers Programme

Enterprise Ireland's Innovation Vouchers Programme objective is to promote and encourage a transfer of knowledge between Ireland's public knowledge providers and the small business community, creating greater synergies between the two. Under the initiative, vouchers worth €5,000 are allocated on a semi-competitive basis to small businesses whose proposals, to work with public knowledge providers on specific innovation questions, meet basic criteria.

Innovation Partnership Programme

The Programme encourages Irish-based companies to work with Irish research institutes resulting in mutually beneficial co-operation and interaction. Companies can access expertise and resources to develop new and improved products, processes, services, and generate new knowledge and know-how. The participating company benefits in terms of its growth, the evolution of its strategic research and development and the creation of new knowledge that it can use to generate commercial advantage. The research institute benefits in terms of developing skill sets, intellectual property and publications.



Malta Enterprise

Business START

Business START offers seed funding for start-ups. The measure is intended to support Small Start-up Undertakings that have a viable business concept and are in the early stage of its development. Initiatives that are deemed to be economically viable shall be supported through a grant of up to €25,000. In order to be eligible, the applicant must be: proposing products and/or services that have potential to be marketed and distributed internationally; and producing products and/or services which are new or substantially improved compared to the state of the art in the local industry.

Setting up a Life Sciences Centre

The Malta Life Sciences Centre is part of the Malta Life Sciences Park, which was designed to promote R&D and to spur the growth of the life sciences sector in Malta, building on the base that the country developed in the pharmaceutical industry during the last decade. It's located close to the Hospital and University focuses on Life Sciences and associated technologies and aims to incorporate pharmaceutical /biotech laboratories and research facilities to support knowledge-based companies. The Centre is helping to increase skills in the sector and drive new FDI and RTD activity and incubate new enterprises.



Scientific Research Centre Bistra Ptuj

PODIM Conference

PODIM is the largest and leading conference on entrepreneurship, start-ups and innovation in the Alps-Adriatic region and one of the largest international start-up and business conferences in the CEE region. Every year, it offers two days of intensive courses and networking opportunities, numerous lectures, roundtables, panel discussions and workshops. The PODIM Challenge is a special content part of the conference, meant to help start-up companies come into contact with international investors. It also has a series of Regional Roadshow events where early-stage startups that are looking for seed investment or strategic partnerships can meet the PODIM team and the main PODIM partners.

Tkalka/Weaver

Tkalka/Weaver is a co-working and a social process space, promoting new ways of collaboration in society and development of new social practices. It is an office building for organisations, initiatives and individuals who inhabit its premises in diverse processes of cooperation and co-working. Beneficiaries have a contract of free rent for five years that binds them to pay for all operating costs.

The logo for Tartu City Government is a stylized, multi-colored polygon. It is composed of several overlapping shapes in shades of teal, light blue, and yellow. The text "Tartu City Government" is written in white, sans-serif font across the top portion of the logo.

Tartu City Government

sTARTUp Day Business Festival

sTARTUp Day is the biggest business festival in the Baltic States. It's a flagship event where startupper and traditional entrepreneurs, experts and newbies, government and media will discuss early stage businesses. It's an event where people who have thought about creating their own startup can get the necessary motivation and actually go through with their idea. This good practice tries to encourage people to become more entrepreneurial and innovative, give ideas on how to avoid common mistakes and create collaborations between entrepreneurs, startups, corporations and ecosystem organizations.

Kaleidoskoop/Idealab

The University of Tartu runs a pre-incubation program called Idea Lab, consisting of a series of events with the goal of providing mentorship to students. At the end of each semester, and within these events, a pitching competition called Kaleidoskoop is organized. It's the biggest students' business and project ideas competition in South-Estonia. The competition is intended to support the students in Tartu and help teams shape their ideas into tested business models.

5. FINAL CONCLUSIONS

Innova Foster has been focused on results since its inception, hence, one of its objectives is to act as demonstrators, derisking the development of novel service systems and approaches and encouraging engagement with stakeholders.

The experiences shared across Europe in order to identify new opportunities, have allowed the participating regions to define several **Good Practices of interest, some of which will be transferred to their respective Action Plans**, thus cultivating long-term collaboration among the partners as well as engaging the interested stakeholders in the Action Plans governance.



Creating a strong startup ecosystem is a holistic long-term effort that requires planning and the implementation of measures that go well beyond typical 4- or 5-year election cycles. It requires staying power and the ability to analyse the results and adjust the policies accordingly. It also requires a realistic analysis of local strengths and weaknesses so that the measures to be implemented take full advantage of the existing strengths and correctly address the

identified weaknesses. Furthermore, ecosystems evolve and the policy mix needs to be adapted to the evolutionary stage of each ecosystem. This requires constant monitoring and the correct definition of indicators and metrics. This is why cases where regions or governments merely try to replicate the policies of a given success story from another region typically fail.

Nevertheless, this does not take away from the importance of exchanging experiences and learning from the mistakes or successes of other regions or countries. What this means is that lessons learned and, more specifically good practices identified in other regions will most likely need to be adapted before implementation in other regions.

Within the framework of the Innova Foster project, a diagnosis of the ecosystem of entrepreneurship and innovation of each participating region was prepared. Based on the analysis of the regional entrepreneurial ecosystems we were able to match the weaknesses and challenges identified in some regions to the strengths of other regions in the consortium. This allowed us to identify **opportunities for future cooperation** between the participating regions.

In addition, each partner analysed the state of development of the main available instruments for the promotion of the development of SMEs and startups. The results of this analysis have been collected in a **joint instrument status matrix**, which is shown in the following table.

Fig. 2. Regional diagnosis: instrument status matrix

Instrument			INCYDE Foundation	Torun Regional Development Agency	Oldham Metropolitan Borough Council	Cork City Council	Malta Enterprise	Scientific Research Centre Bistra Ptuj	Tartu City Government
Startup ecosystem	Density	A recognizable cluster of startups exist	Operational	Recently created	Operational	Developing	Recently created	Operational	Operational
		Startup movement in the media	Operational	Operational	Operational	Operational	Recently created	Operational	Operational
		Meetups and events for entrepreneurs happens every week	Operational	Developing	Developing	Operational	Non Existing	Operational	Operational
		Academic and research networks are well connected to business	Operational	Operational	Developing	Operational	Non Existing	Developing	Developing
	Culture	Entrepreneurs are high-lighted as role models	Recently created	Developing	Operational	Operational	Recently created	Developing	Developing
		Failure is accepted as a part of the learning progress	Developing	Developing	Operational	Developing	Non Existing	Developing	Developing
		Jobs at startups are promoted	Developing	Developing	Operational	Recently created	Non Existing	Operational	Developing
	Funding (private)	Seed capital	Operational	Recently created	Operational	Recently created	Developing	Operational	Operational
		Crowdfunding	Developing	Non existing	Operational	Recently created	Recently created	Developing	Developing
		Venture capital	Operational	Non existing	Operational	Recently created	Non Existing	Operational	Developing
		Prizes	Recently created	Operational	Operational	Recently created	Developing	Operational	Recently created
	Regulatory environment	Tax regulation fosters entrepreneurship	Developing	Developing	Operational	Operational	Non Existing	Developing	Developing
		Patent protection system supports innovation	Operational	Developing	Operational	Recently created	Operational	Developing	Developing
		R&D transference to market is encouraged	Operational	Developing	Developing	Recently created	Developing	Developing	Operational
		Special visas for startups	Operational	Developing	Operational	Operational	Recently created	Operational	Operational
	Support services & business training	Incubators	Operational	Operational	Operational	Developing	Recently created	Operational	Operational
		Accelerators	Operational	Operational	Operational	Developing	Non Existing	Operational	Operational
		Next-generation incubators and acceleration (coworking)	Operational	Operational	Operational	Recently created	Non Existing	Operational	Operational

Instrument		INCYDE Foundation	Torun Regional Development Agency	Oldham Metropolitan Borough Council	Cork City Council	Malta Enterprise	Scientific Research Centre Bistra Ptuj	Tartu City Government	
Institutional support	Talent	Flexible labor market	Operational	Developing	Operational	Operational	Non Existing	Recently created	Developing
		Education system focused on competences, not knowledge	Developing	Developing	Developing	Developing	Developing	Developing	Developing
		Companies supporting long-life-learning	Developing	Non existing	Developing	Developing	Developing	Developing	Developing
		Coding included in the education system	Recently created	Developing	Developing	Recently created	Recently created	Developing	Developing
		Promotion of STEM education	Recently created	Developing	Operational	Operational	Developing	Developing	Operational
		Gender gap tackled, specially in STEM education	Recently created	Developing	Operational	Operational	Developing	Recently created	Developing
	Financing	Seed capital (public support or investment)	Operational	Developing	Operational	Operational	Developing	Operational	Developing
		Crowdfunding (public support or investment)	Non Existing	Developing	Operational	Operational	Recently created	Developing	Non Existing
		Venture capital (public support or investment)	Operational	Developing	Operational	Operational	Recently created	Operational	Developing
		Prizes (public support or investment)	Operational	Operational	Operational	Operational	Recently created	Operational	Operational
		Incentives for new and experienced investors	Developing	Developing	Operational	Recently created	Developing	Operational	Developing
	Support services & business training	Support for developing commercial loans for startups	Operational	Operational	Operational	Recently created	Operational	Operational	Developing
		Technology transfer and university spin-offs	Operational	Operational	Operational	Recently created	Developing	Operational	Operational
		Business and financial training	Operational	Operational	Operational	Developing	Developing	Operational	Operational

Instrument			INCYDE Foundation	Torun Regional Development Agency	Oldham Metropolitan Borough Council	Cork City Council	Malta Enterprise	Scientific Research Centre Bistra Ptuj	Tartu City Government
Institutional support	Integrated public/private programmes (financing & services)		Developing	Developing	Developing	Recently created	Recently created	Operational	Operational
	Demand-oriented support & market creation: Public procurement & other		Recently created	Developing	Developing	Non Existing	Recently created	Non Existing	Operational
Enhancing corporate innovation	Traditional models	Corporate venture capital	Operational	Developing	Operational	Developing	Recently created	Non Existing	Developing
		Corporate incubation (inside-out)	Developing	Developing	Operational	Developing	Non Existing	Recently created	Non Existing
	New models	Outside-in startup programmes	Recently created	Developing	Developing	Developing	Non Existing	Non Existing	Non Existing
		Inside-out platform startup programmes	Recently created	Developing	Developing	Developing	Non Existing	Non Existing	Non Existing

Source: Innova Foster

This matrix can help explain the reasons for transferring good practices between regions and also to identify the most suitable good practices to be added by external experts, as it gives us an overview of the current status of each instrument for all participating regions.

After reviewing all the information and documents generated in the project together with this matrix, it was concluded that most of the consortium could benefit from external good practices in new corporate innovation models and improving access to finance, especially Venture Capital. These 2 external good practices are briefly described in the following text boxes.

EXTERNAL GOOD PRACTICE: NEW CORPORATE INNOVATION MODELS

Enel Innovation Hubs

Enel is a multinational energy company and one of the world's leading integrated electricity and gas operators that works in 34 countries across 5 continents. Enel Innovation Hubs are part of the Enel Startup Programme that aims to achieve Enel's goals in terms of clean energy and a sustainable future through an open innovation approach.

In addition to the scouting work done by the hubs that's aimed at identifying interesting startups, the company has setup the Open Innovability platform¹, a crowdsourcing space where anyone can present an idea for a solution to the different challenges.

Even though these initiatives depend on the private sector, public authorities can promote Corporate Startup Engagement (CSE) by tying funding for companies to doing pilots between startups and corporations, creating a platform to facilitate matchmaking between corporations and startups, organising workshops for corporations on how to engage with startups and promote success stories of CSE. In addition, funding for local accelerators could also be connected to the development of CSE programmes.

EXTERNAL GOOD PRACTICE: IMPROVING ACCESS TO FINANCE

Venture Capital in Singapore

Singapore has become one of the world's easiest places to do business because of its simple and transparent procedures to create and run a business. Additionally, some tax incentives were put in place for venture funds, venture capital management companies and angel investors. Venture Capital is a key ingredient in any startup ecosystem, not only because of the funds that these investors provide but principally because of the support and business savvy that private venture capitalists can bring to the table. By recognising the importance of a robust venture capital base and implementing complementary measures and policies, the Singaporean government has managed to turn a conservative and moderate society where entrepreneurship was seen as a fad into a startup haven in a little over two decades.

From 2010 to 2015 the number of funding deals in Singapore increased from 26 to 220. The value of these deals also had significant growth in 5 years, as it went from USD 80.57 million in 2010 to USD 1.16 billion in 2015.

Although one cannot simply copy the policies from another country and hope to get the same results, Singapore's model is recognised as one of the most easily adaptable to other countries. It is important to start with a correct diagnosis of the local weaknesses and gaps and then to systematically address those needs adapting the policies as the ecosystem evolves. Even though local authorities have created several incentives, experts say that the approach of matching investments from the private sector was probably the most effective in attracting venture capital.

The analysis of the characteristics of the entrepreneurial ecosystem of the 7 participating regions, based on a common methodology, as well as the identification of Good Practices, also applying a format that allows the comparison and contextual analysis of their advantages and disadvantages, has allowed **several of the partners to identify new actions of interest** (within those developed by other partners) **which will be transferred to their own Action Plans**.

The following table shows the **practices that will be transferred**, as well as the partner from which they emanate and who aims to incorporate them:

Fig. 3. Innova Foster BBPP transfer between partners

GOOD PRACTICE OF INTEREST FOR TRANSFER	OWNER OF THE GOOD PRACTICE						
	INCYDE Foundation	Torun Regional Development Agency	Oldham Metropolitan Borough Council	Cork City Council	Malta Enterprise	Scientific Research Centre Bistra Ptuj	Tartu City Government
PARTNER: BISTRA PTUJ							
sTARtUp Day Business Festival							X
Innovation Partnership Programme				X			
PARTNER: CORK CITY COUNCIL							
VentureFest North West			X				
Support for Academic Entrepreneurship		X					
PARTNER: INCYDE FOUNDATION							
PODIM Conference						X	
Tkalka/Weaver						X	
sTARtUp Day Business Festival							X
GC Mentoring Programme			X				
PARTNER: MALTA ENTERPRISE							
Innovation Voucher Programme				X			
sTARtUp Day Business Festival							X
PODIM Conference						X	
High Tech Aerospace Incubator	X						
PARTNER: OLDHAM							
sTARtUp Day Business Festival							X
PARTNER: TARTU CITY GOVERNMENT							
Innovation Partnership Programme				X			
PODIM Conference						X	
PARTNER: TORUN REGIONAL DEVELOPMENT AGENCY							
GC Mentoring Programme			X				
PODIM Conference						X	

Source: Innova Foster

In addition to the transfer of practices between regions, the sharing of experiences and the opportunities that were identified for future cooperation, the Innova Foster partners have also identified additional benefits that resulted from their participation in the project.

Partners identified exposure to European best practices and creative and innovative thinking at regional level, as well as establishing contacts with people that may help in the implementation of those practices as a benefit of participating in Innova Foster.

In addition, they recognized the ability to network and build relationships with new regions and organizations across the EU outside their usual areas of cooperation as another benefit. The project has already generated collaboration between partners in activities outside the scope of the Innova Foster project.

As an added bonus, some partners have even stated that they improved their relationship with local stakeholders as a result of the project's activities. This is a very significant outcome as one cannot stress enough the importance of involving relevant stakeholders in the identification of suitable instruments for fostering innovation in their respective areas of influence. Stakeholder involvement in this process will increase the potential success of the policies to be implemented.

Innova Foster
Index Number: PGI02237



European Union
European Regional
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