



European Union
European Regional
Development Fund

Cámaras
Fundación INCYDE

**Innova
Foster**
Interreg Europe



INNOVA FOSTER

FOSTERING STARTUP & INNOVATION ECOSYSTEMS IN EUROPE

INCYDE FOUNDATION

ACTION PLAN

Index Number: PGI02237



INDEX

1. PART I – GENERAL INFORMATION	3
2. PART II – POLICY CONTEXT	3
2.1. EUROPEAN BACKGROUND	4
2.2. INNOVA FOSTER PROJECT	6
2.3. INCYDE’S ACTION PLAN	10
2.3.1 ACTION PLAN OBJECTIVE	10
2.3.2 INSTRUMENT ADDRESSED	10
2.3.3 SPAIN ENTREPRENEURIAL ECOSYSTEM LOCAL DIAGNOSIS	12
2.3.4 EXCHANGE OF EXPERIENCIES: LESSONS LEARNT	16
2.3.5 INCYDE SCOPE OF ACTION/WORKSPACE	19
3. PART III – DETAILS OF THE ACTIONS ENVISAGED	22
3.1. ACTION 1	22
3.2. ACTION 2	26
3.3. ACTION 3	31
3.4. ACTION 4	34
4. CONCLUSIONS	37

1. PART I – GENERAL INFORMATION

Project: _INNOVA FOSTER PROJECT

Partner organisation: INCYDE FOUNDATION

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2. PART II – POLICY CONTEXT

The Action Plan aims to impact: Investment for Growth and Jobs
programme
 European Territorial Cooperation
programme
 Other regional development policy
instrument

Name of the policy instrument addressed: ERDF Operational Programme for the
Smart Growth 2014-2020

2.1. EUROPEAN BACKGROUND

Economic organizations and governments all across the EU are talking about the need to develop the EU into a strong entrepreneurial economy, since this is the key to Europe's competitiveness and continued modernization. And although much is being done to create better conditions for entrepreneurs, the key problem seems to be that not many Europeans want to become entrepreneurs in the first place. So, there is a need for promoting the entrepreneurial mindset, the very core of entrepreneurship.



The European Commission expresses a need to create a more favorable social climate for Entrepreneurship. A climate where people think of becoming an entrepreneur as attractive and where they are encouraged to turn their creativity and ideas into businesses.

To create this climate all around the European regions, the European union uses its cohesion policy to reduce disparities in the levels of development, growth and quality of life and promotes actions designed to make the European territory more innovative, more sustainable, and more inclusive. This is the EU policy agenda, called the Europe 2020 strategy.

INNOVA FOSTER as an Interreg Europe Project

The Interreg Europe programme is part of the European Territorial Cooperation goal of EU cohesion policy for the 2014-2020 programming period. Financed by the European Regional Development Fund (ERDF), Interreg was designed to support policy-learning among the relevant policy organizations with a view to improving the performance of regional development policies and programmes. In this sense, Interreg allows regional and local public authorities, and other players of regional relevance across Europe, to exchange practices and ideas on the way public policies work, and thereby find solutions to improve their strategies for their own citizens.

Interreg Europe helps regional and local governments across Europe to develop and deliver better policy. The EU's emphasis very much on paving the way for regions to realize their full potential – by helping them to capitalize on their innate strengths while tapping into opportunities that offer possibilities for economic, social and environmental progress. To achieve this goal, Interreg Europe offers opportunities for regional and local public authorities across Europe to share ideas and experience on public policy in practice, therefore improving strategies for their citizens and communities.

The potential for enterprises to create new market opportunities begins with the presence of entrepreneurial skills. Regional policies therefore need to actively support entrepreneurship development and capacity building as a building block for business creation and growth. It is equally crucial that regional authorities and business support players respond adequately to the key obstacles that obstruct businesses on their path to growth, such as access to finance (e.g. through facilities for start-up capital or guarantees).

An interregional cooperation project is a project in which partners from different countries work together on a shared regional policy issue by exchanging their experiences and practices in order to integrate the lessons learnt from this cooperation into their policies. It builds on the experience of the participating regions and focuses on the identification, analysis and transfer of good practices and policy experiences among these regions.

To reinforce the focus on results and give the learning process a better chance of leading towards tangible results, an interregional cooperation project is designed in two phases:

- ‘Phase 1’ is dedicated to **interregional learning** and to preparing the exploitation of the lessons learnt from the cooperation through the development of action plans.
- ‘Phase 2’ is dedicated to monitoring the implementation of each **action plan**. When relevant, pilot actions may also be tested during this phase.

2.2. INNOVA FOSTER PROJECT.

This INNOVA FOSTER PROJECT focus on the Priority axis 2 of Interreg Europe programme: ‘**Competitiveness of SMEs**’ attending the overall objective of supporting SMEs in all stages of their life cycle to develop, achieve growth and engage in innovation.

Startups as innovation providers

New, innovative enterprises play a vital role in determining how dynamic a region’s or city’s innovation will be. Start-ups reinvigorate the business community, increase competition for innovation, introduce new products, services, and business models, create new markets and offer innovative solutions to emerging problems.

The combination of entrepreneurial activity with corporate ability seems like a perfect match but can be elusive to achieve. Our challenge today is to connect both worlds with greater speed and agility.

Even if the regional RIS3 strategies reflects this approach, the truth is that we are not being able to scale the startups and engage them with regional innovation at the expected pace. Consequently, we need to improve our regional and local development policies and programmes to support the growth of our high-potential SMEs.

All the policies addressed by this project are tackling SMEs competitiveness but, they all need to improve on this specific issue, mainly because it’s quite a new global trend and still requires innovative approaches and validation.

Innova Foster is neither about bringing innovation to the startups, nor to promote the startups creation based on R&D results. OUR APPROACH FOCUSES ON LEVERAGING THE STARTUPS' GROWTH ON THEIR ROLE AS REGIONAL AND INDUSTRY INNOVATION PROVIDERS. That's why the linkage with the industry is so important.

The consortium we have created for this project is composed by public bodies or bodies governed by public law, all of them managing the regional or local policies that are tackled with the SMEs growth and competitiveness and their involvement in the regional innovation capacities.

- Three of them are Intermediate Bodies managing the Thematic Objective 3 (INCYDE, Malta Ent. & Oldham);
- two are regional development agencies managing TO 3 (Bistra), or the subsequent implementation in a regional strategic plan (TRDA);
- and two more are cities implementing projects of the TO 3 (Cork) or the local strategic plan linked to it (Tartu).

Innova Foster brings together **seven European partners** to address the challenge and improve the public policies and programmes supporting the development of innovation and startups ecosystems.

How could we leverage startups' growth through their engagement into innovation at local or regional level? This is the challenge for Innova Foster project.

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



Role	Partner	Policy	Interreg Europe 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

Fig. 2. Innova Foster Partnership Location



We want this project to be FOCUSED ON RESULTS. To do so, we want our Action plan to be demonstrator. In other words, we want to identify and share examples, ideas and solutions and tailor them to our regional and local needs based on our own strengths. The implementation will benefit in the improvement of our regional/local policies but will also serve as a documented case for analysis to other European regions and cities.

2.3. INCYDE'S ACTION PLAN

ACTION PLAN

Produced by each region, the action plan is a document providing details on how the lessons learnt from the cooperation will be implemented in order to improve the policy instrument that is addressed within their region. It specifies the different actions to be implemented (nature, timeframe, players involved, costs (if any) and funding sources (if any))

2.3.1 ACTION PLAN OBJECTIVE

INCYDE'S Action Plan will have as a main objective to enrich with innovative ideas (taken out from our Innova foster exchange of experiences) the current ERDF Operational Programme for the Smart Growth 2014-2020 (our policy instrument addressed). The aim of this Action plan is to set out the learning gained from the Innova foster knowledge exchange over the period 2017-2018.

2.3.2 INSTRUMENT ADDRESSED

A policy instrument is any policy, strategy, or law developed by public authorities and applied on the ground in order to improve a specific territorial situation. In the context of Interreg Europe, operational programmes for Investment for Growth and Jobs are considered to be policy instruments. In this Innova foster project, the instrument addressed by the INCYDE ACTION PLAN is the Spanish Smart Growth Operative Programme (CCI2014ES16FROP001)

Spanish Smart Growth Operative Programme 2014-2020:

Objective: To strengthen the productivity of enterprises, boost research and innovation

*Priority concerned: Thematic objective 3, Competitiveness.

Spanish SMEs, in general, are deficient in competitiveness, innovation and internationalization, largely due to its small size. Accordingly, to the Spanish Position Paper and the Council's Recommendations, **Spain needs to promote the creation of new tech-based and innovative companies**. Two IP are included:

- IP. 3.a. Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.
- I.P. 3.d. Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes.

The reasons why this instrument should be improved:

Even though it is focused on business creation, the objective of achieving the growth potential of the SMES is not properly attended. If we want to promote innovative and tech-based firms, we need to help them grow in the market. Startups **are the source of innovation the industry needs**, but neither the industry nor the entrepreneurs are being able to reach each other in an efficient way.

We expect to improve the OP by the integration of the lessons learnt through the cooperation. We want to modify the existing measures under the Thematic Objective 3 to help the techbased SMEs created to rampup, survive and grow, which is something not included in the initial design. The OPs are designed with the most accurate analysis and programmatic focus in a specific time. However, they should last during all the programming period and must be adapted to new needs, potential solutions and ideas. This is something our Management Authority and the EC are clear about. Consequently, as we've done in the past, we can ask and obtain modifications in the initial OP design. We need a sound proposal about what and how we want to modify, and the best way to do this is through lessons learnt from other European policies.

Incyde together with the chamber of Commerce are some of the institutions, together with the Madrid City Council which are asked about their position while evaluating the Smarth Growth OP progression. We will include all these lessons learnt, during Innova foster project, as part of our recommendations in order to improve the instrument addressed. In this sense, we can consider these lessons as a positive learning for the improvement of the instrument. We should highlight, here, the fact that both the Madrid City Council and the national Ministry for Industry are stakeholder of the project

and therefore they are aware of all the actions developed in this Innova foster project framework.

Taking all this into account we can trust in the possibility that these actions develop through this Innova foster project will be, in different ways, integrated and supported by the policy instrument addressed.

Once we have determined our objective and the framework of our instrument addressed, next task before designing our ACTION PLAN is to analyse the starting situation through a study of our Local Diagnosis.

2.3.3 SPAIN ENTREPRENEURIAL ECOSYSTEM LOCAL DIAGNOSIS

SPANISH ENTREPRENEURSHIP KEYNOTES

- The percentage of new entrepreneurs in Spain is low and varies from 5% to 7% from year to year. Half of new entrepreneurs are young people. **Spain's rate (6.2%) of entrepreneurship is not among the lowest, and it emerges more than anything due to necessity.** It is lower than that of countries such as the USA (8%) and Norway (8.5%). In Spain entrepreneurs are born more out of necessity (4 out of 10) than opportunity.
- Attitudes in Spain are not favorable to entrepreneurship: risk-taking, fear of failure, creativity, internal control, perception of opportunities.
- Greater **risk aversion** than in surrounding countries. We take as many as three times fewer risks than those in the USA. Greater **fear of failure**, although it seems to be improving among young people.
- **Being an entrepreneur is not considered very socially desirable:** It has a 48% rate of popularity, compared to 73% in the USA and 62% in France. The image of the entrepreneur in Spain is worse than in Norway, France and Italy.
- **The media in Spain pay scanty attention to entrepreneurship.** In countries such as the USA and Norway, there is twice as much media interest in the issue.
- **People in Spain prefer wage-earning jobs to self-employment.** Self-employment is the preferred option for 40% of people in Spain, compared with 51% in France and 55% in the USA.

- **Spain has a low level of investment in R+D and of employment for researchers**
There is half as much investment in R+D (as a percentage of GDP) as in the USA, and there are 40% researchers per 1,000 residents.
- **The ecosystem of business angels is favorable and continues to grow.** However, the investment in venture capital in the early stages of business growth is not commensurate with the size of the Spanish economy.

Taking into account all this information, the two biggest challenges are:

1) PROMOTION OF ENTREPRENEURIAL CULTURE which encounters different obstacles not only in the culture but also in the education.

Regarding the Entrepreneurial Culture

- Spanish youth possess many of the values necessary for entrepreneurship, although they point out obstacles that are both external (the economic climate, access to funding, social opinion) and internal (fear of failure, attitude toward risk, lack of creativity).
- The media have an important role to play when it comes to improving the perception in the various spheres of society of entrepreneurs, publicizing and giving the appropriate value to examples of entrepreneurial people and their new projects.

Regarding the Entrepreneurial Education

- Spanish young people do not feel that they have been educated to be entrepreneurs, and the experts agree that it is necessary to further strengthen training in entrepreneurial initiative and to do so at a larger scale.
- There must be a training process for teachers, and the appropriate materials and tools must be designed so that new units on entrepreneurial initiative can be incorporated into schools and the inclusion of business creation courses at a university level can become generalized.

2) FINANCING OF ENTREPRENEURSHIP

- Spanish youth and experts agree that financing is one of the most serious problems for entrepreneurship in Spain, despite the fact that good practices are emerging in the field of business angels and the fiscal framework.



- Venture capital still has a way to go and will be present to invest when there are more attractive projects and greater ease in disinvestments, possible through the development of alternative markets.

SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Growing number of incubators, accelerators and science and technology parks • Growing number of start-up events • Highly educated human capital • Vibrant start-up communities in Barcelona and Madrid • Increasingly active Business Angels • Healthy balance between early stage and late stage funding 	<ul style="list-style-type: none"> • Low quality of new enterprises (most are self-employment) • High levels of bureaucracy and taxes • Government-enabled funding and VC funds still need to grow • Training in entrepreneurship needs to be strengthened
Opportunities	Threats
<ul style="list-style-type: none"> • Current job market makes entrepreneurship a good option • Highest ever percentage of people who see good business opportunities • Lower rents and living costs than major EU cities • Lower salaries • Major corporates are beginning to support start-ups • Growing media coverage for entrepreneurs 	<ul style="list-style-type: none"> • Low scores for technology/innovative development indicators • Fear of failure is still relatively high, although improving • People prefer wage-earning jobs to self-employment • Brain drain

Once we have identified our strengths and needs through this SWOT analysis, we had to look and see how the rest of the partners ecosystems are developed and what can we learn from them.

2.3.4 EXCHANGE OF EXPERIENCIES: LESSONS LEARNT

During the project, each partner analysed the state of development of the main available instruments for the promotion of the development of SMEs and startups.



After reviewing all the information and documents generated in phase I of the Innova foster project, we can conclude that most of the consortium could benefit from external good practices

The results of this analysis have been collected in a joint instrument status matrix, which help us to explain the **reasons for transferring good practices between regions** and also to identify the most suitable good practices to be transferred.

REGIONAL DIAGNOSIS: INSTRUMENTS 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	



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
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 (in side-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

2.3.5 INCYDE SCOPE OF ACTION/WORKSPACE

Another key point in order to define the concrete action to be developed by our ACTION PLAN is INCYDE SCOPE OF ACTION which will define our expertise and competences and will determine the kind of action we should include in the Action plan, as possible to carry out.

INCYDE is a private non-profit body, which reduces our room for manoeuvre on the implementation of public actions. We do not have the same tools as a public body or



a regional authority in terms of implementing a public policy/action and, in this sense, we could say, we are a less powerful target group in terms of implementing public activities.

On the other hand, INCYDE is a Foundation created in 1999 to promote the entrepreneurial spirit and increase the viability of new businesses. In its 17 years of activity, INCYDE has established itself as the national benchmark of quality in the provision of services for the strengthening of potential entrepreneurs and the growth of the business community

INCYDE KEY ELEMENTS:

- **Human Resources:** we have our own specialized team in entrepreneurship and business consolidation.
- **Physical Resources:** 142 operating incubators distributed throughout the national territory. 125.000 m2 built and 985 hosted companies.
- **Development of Innovation, Transfer Technology Services and Business growth** in incubators.
- **Academic Resources:** More than 40 training programs for different sectors or different management requirements. According to European standards, INCYDE has been recognized as an example of good practices according to the European Commission on different occasions.



INCYDE Strategic arguments

- Lining up with the European strategy 2014-2020
- Relevance to the specific challenges of Spain in 2014-2020
- Full integration in EU Community principles
- promotion of the E-cohesion
- Commitment to partnership and cooperation Territorial capillarity



INCYDE through the Chamber of Commerce of Spain leads the program operational ERDF of Sustainable Growth 2014ES16RFOP001, with the implementation of the project of High-Technology Incubators. Therefore, working on the improvement of this specific program of High-Tech Incubators, will directly benefit the policy instrument.

- Taking into account that the main objective of the INCYDE's ACTION PLAN, is to improve the startups and entrepreneur's ecosystem conditions
- *Taking into account the weaknesses found through our local diagnosis, the objective of this Action plan should be the **improvement of the culture of entrepreneurship***
- Taking into account the best practices identified during the project exchange visit related to mentoring, dissemination and access to finances,
and
- Taking into account the stakeholders + INCYDE'S scope of action,

Our Action Plan should focus on:

- ✓ **Improvement of our High-Tech incubators programme** There is a meeting point between startups and industry, between innovation and SME's, and this is a sectorial high-tech incubator.
- ✓ **Mentoring for Entrepreneurial digitalization.** We have identified, together with our stakeholders, this is a key element on our startups survival rate.
- ✓ **Startups Financial support.** An important gap in our entrepreneurial ecosystem, we'd like to face with this Action Plan.

Since this project understands that an interesting form of learning is from the point of view of errors. We have realized the lack of this kind of High-Tech incubators in the regions we've visited. Therefore, one of the lessons learned, could be the need of disseminating these model of High Tech Incubators as infrastructures for knowledge, employment and economic growth, in the rest of European regions.



3. PART III – DETAILS OF THE ACTIONS ENVISAGED

3.1. ACTION 1

ACTION 1 TRAINING & MENTORING PROGRAMME FOR SME'S DIGITALIZATION

The background

- New businesses are facing issues and challenges that are not necessarily addressed by traditional sources business support.
- The improvement of competitiveness and productivity requires providing entrepreneurs with the needed tools to face the challenges of global markets.
- During the Innova foster project, we had the opportunity to meet another Interreg project called TRINNO in which 5 pro-active regions together address a common challenge of helping enterprises and aspiring entrepreneurs to apply benefits of digital innovation (digital manufacturing, Internet of things, big data, etc.) to traditional sectors.
- Innova Foster policy instrument “the Spanish Smart Growth Operative Program” has as one of its objectives the promotion of regional innovation and competitiveness through the use of information and communication technology (ICT), with a special focus on small and medium sized enterprises (SMEs).
- EU has also as an overall objective to promote competitiveness in EU regions through improving policy instruments for business support systems that focus on applying digital innovation in the local economy.
- The topic of digitization will develop into an opportunity for many SMEs to advance or even survive in the future.
- Digitalization involves meeting several challenges and therefore SME entrepreneurs see opportunities but also risks.
- If we really want start-ups to achieve the challenge of being in line with the industrial ecosystem and be able to be a part of it, the best way to join startups to the innovative ecosystem is to have well prepared startups to play a good role in the ecosystems. In this sense, we should start by proving these entrepreneurs and startups with the training and mentoring techniques that will allow them to be successful in these ecosystems. For this purpose, our first action will be to provide entrepreneurs with the adequate digitalization skills to achieve all the challenge of the ecosystem, successfully

If, to all these elements, we add the fact that, the best way to learn a lesson is to do it from the hand of someone experienced who has already successfully passed

through, INCYDE, gathering all these inputs, and considering the current reality and the new training methods has selected as first Action of the ACTION PLAN developing a : **Training-Mentoring programme on SME Digitalization**. A program based on the combination of training and mentoring:

- ✓ A "Technical-Productive Training", that will provide entrepreneurs the needed skills and abilities and
- ✓ a "Mentoring Program" to settle all the knowledge acquired through training, that will give a practical vision on how to face successfully real business situation.

During the Project Exchange visit to our partner Manchester, we got to know about the GC Mentoring Programme. This programme seemed very interesting to us, specifically on the way it enables businesses to access mentors to benefit from their experience. Incyde has a great experience both in training and mentoring and we found in this GC mentoring programme some elements we'd like to add to our current mentoring programmes.

INCYDE wants to go one step forward, in the mentoring area, through the **entrepreneurship DIGITALIZATION** service as we have identified this topic as one of the most relevant factors in the survival rate of a company. In this sense, we are going to implement an innovative methodology based on the combined application of two modalities: training and mentoring, with experts in DIGITALIZATION.

Action: Training-Mentoring programme on SME Digitalization

The mentoring programme will be developed at INCYDE Digital Coworkings and the implementation of the program will follow the Manchester Mentoring program methodology which has been copied as we found it very interesting to implement adapting it to our own circumstances. The most outstanding element found in this methodology is the individualize approach. For us it has been very enriching to find a methodology customized to each entrepreneur. The methodology is as follows:

FIRST STEP:

Assignment of mentors by ICNYDE FOUNDATION.

According to the Manchester GC Mentoring program:

- (i) Companies cover a form with their characteristics, challenges and what they look for in a mentor;
- (ii) After a first contact both parties, they can decide if they prefer to change mentors;
- (iii) satisfaction surveys for companies participating in the program;
- (iv) networking events and exchange of experiences for mentors;
- (v) program managers in contact with companies and mentors to detect and solve problems

SECOND STEP

Individualized matching. A Particular mentor for each particular mentee. Each mentee completes a profile which provides information about themselves and the challenge as well as the type of mentor they would like including skill set, knowledge, experience and personality. This profile is then used by the mentoring team to complete a matching exercise where the profiles of the mentors are looked at ensure an appropriate match is made on both sides. The mentor matching process ensures to get it right at the first time, using new advanced mentor/mentee profile forms, including additional questions around challenges and issues, to ensure greater alignment to the mentor's skillset.

THIRD STEP

A mentoring advisor will meet/speak with the mentee, to probe deeper around specific requirements/challenges to aid a better match and to gauge the personality of the mentee. To ensure a consistent approach to the matching process and to share intelligence, the mentoring team speak weekly/fortnightly about any matches.

- The mentor/mentee are introduced to each other via email and they are also asked to complete an induction pack which contains a code of conduct, statement of understanding about responsibilities and roles, confidentiality etc.
- The mentor will make contact with the mentee to arrange their first meeting. Following on from this meeting their advisor from INCYDE will make contact with both parties to check that they are happy to proceed. If at this point either party does not want to continue the matching process will begin again.

Also, an **on-going mentor support** is foreseen. Regular "mentor only events" will take place to build connections among them, like Continuous Professional Development (CPD) sessions designed to meet the request of the mentors; Induction workshops for new mentors, etc...

Where: Incyde Digital Coworkings

The program will be developed at INCYDE Digital Coworking Centers conceived as instruments to accelerate digitalization projects. These centers are equipped with the latest digital technologies and can offer professionals on digital training to attend the needs of new innovative business opportunities and promote the synergies between them.

Digital Manager

The program will count with a "Digital Manager", the person in charge of the digital talent selection. The presence of this figure in digital coworking will help to carry out the digital transformation in micro-SMEs carrying out the following tasks:



- Participate in the selection of digital projects, with the objective of finding technical profiles and well prepared in the digital economy.
- Advise, form and evaluate the status of companies installed in coworking digital. It will mainly give a complete and unique answer to the needs of the companies located in digital coworking regardless of their size or volume.
- Analyse the situation of each company and prepare a diagnosis of change towards a good transformation from offline to online.

Players involved

- ✓ INCYDE FOUNDATION. Organization in charge of the program management
- ✓ SPANISH CHAMBER OF COMMERCE NETWORK. Co-partners in the programme implementation
- ✓ INCYDE DIGITAL COWORKING CENTERS NETWORK. Physical facilities where the programme will take place.

Timeframe

September 2019- on going.

Estimated Costs: Each training and mentoring digitalization course has an estimated cost of 50.000€

Funding sources:

- ERDF: Spanish Multi-regional Operative Programme (50 to 80%)
- Chambers of Commerce in charge of the Digital Coworking (20 to 50%)

This action will contribute to the improvement of the OP as it'll be integrated on it and supported by the same ERDF that finance the OP.

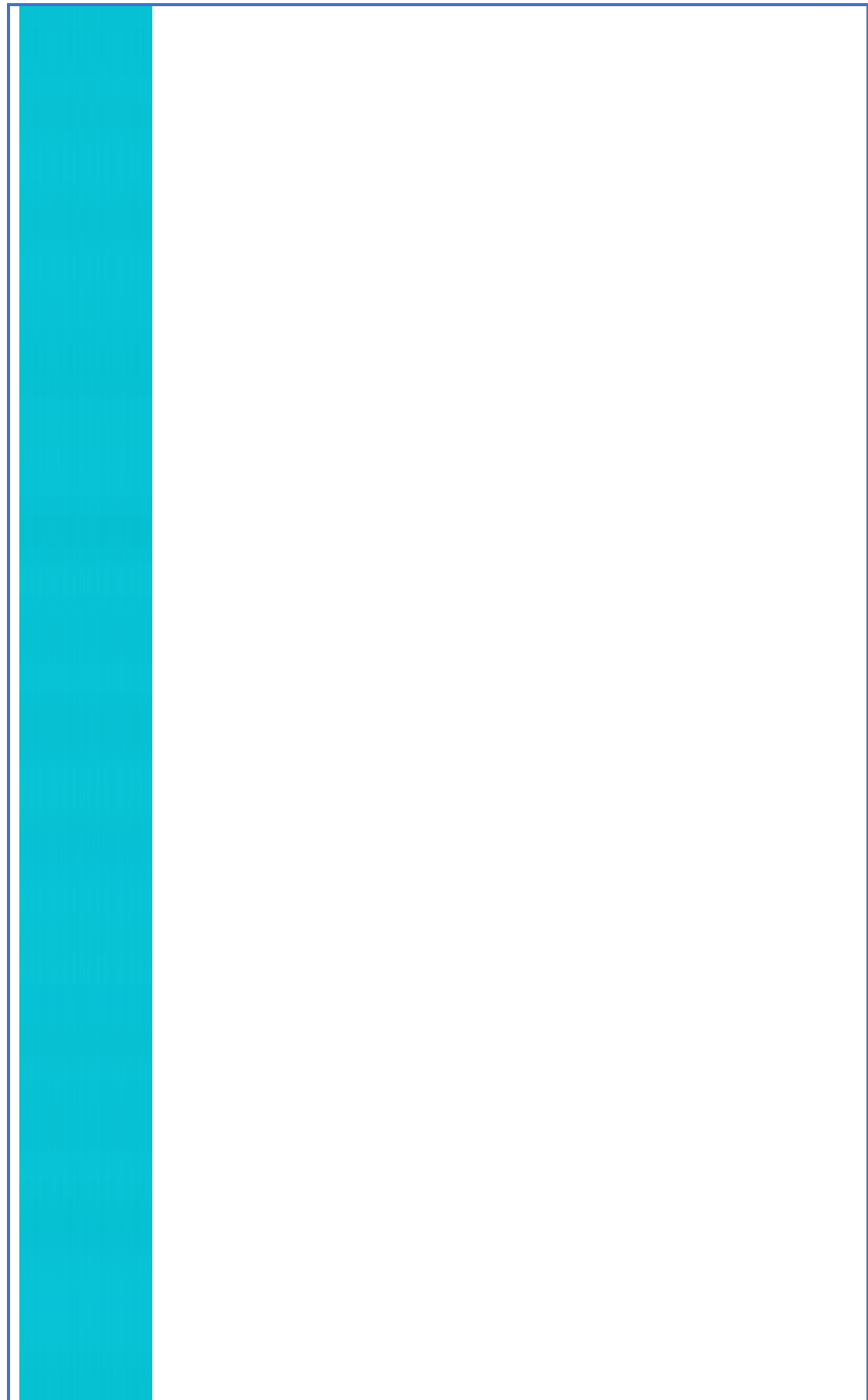


European Union
European Regional
Development Fund

Cámaras
Fundación INCYDE


**Innova
Foster**
Interreg Europe

3.2. ACTION 2





ACTION 2: ENTREPRENEURS and START-UPS ACCESS TO FINANCE: STARTUPS LOANS

The background

- The specific problem of the access to finance constraints the development of SMEs in Europe and is objectively a major issue.
- Access to finance is one of the levers for growth for SMEs: without adequate funding and without liquidity, no business can operate, invest and grow.
- SMEs have historically relied on bank lending and consequently the current bank credit constraints due to economic crisis for the last 10 years have a disproportionate impact on SMEs.
- The reluctance of commercial banks to finance SMEs obliges to become creative.
- The methods of financing have changed substantially in recent years: in addition to traditional financing tools (equity, convertible loans, commercial loans, public soft loan...), new forms of financing have been developed for the last 10 years, such as the use of crowdfunding or business angels.
- The topic is very broad, because the financing needs are very dependent on the nature of the companies (size, business sector, technology's maturity, loan rates...) and on the different phases of the SMEs life-cycle: this is particularly true for innovative R & D companies but also generally for the innovative SMEs in the early stage of their business, But what it is for sure, and it has been proved during this project, is that entrepreneurs need new ways of finance to overcome their challenges.
- This proposed action is devoted to the specific problem highlighted in the Spanish local Diagnosis related to the access to finance for innovative SMEs in Spain.

Even though INCYDE has no financial competences, we want to work this topic through our Innova foster stakeholder, ENISA. ENISA is a Spanish state-owned instrument that provides small and medium-sized enterprises that wish bolster their innovative entrepreneurial endeavors with financial support through participative loans.

Having this topic of FINANCE in mind, as one of our Action Plan objectives, we found very interesting the model developed by the Manchester Business Growth Hub as we have seen a practical way of providing financial resources to micro/small entrepreneurs, something that we already knew was one of the needs our entrepreneurs were asking for. Therefore, we have taken the lessons learnt from this model, for the implementation of this second action in our Action Plan.

Action: Entrepreneurs and Startups Access To Finance: Startups Loans

The goal of this action is **to avoid any innovative ideas not becoming a real business project due to the lack of funding.**

With his action will try to open, the current financial programs for SMEs, to startups and small entrepreneurs, granting the access to LOANS FOR ENTREPRENEURS AND STARTUPS:

The interesting aspects of this model is the fact that this model provides accessible financial resources to SMALL entrepreneurs. What we have tested during this Innova foster project is that, even though there are several methods to provide financial resources to medium entrepreneurs, there is a gap when we talk about small entrepreneurs, which do not have access to any kind of financial resources. This is the innovative part of this action, to put into force a financial mechanism for small entrepreneurs. In this sense, the innovative key element on this lesson learnt is to open these loans to small entrepreneurs.

The action will not be limited to the access to funds but will include a wider mentoring financial activity such as the one learnt in Manchester that includes helping entrepreneurs to:

- find the needed finance (cash) to expand.
- understand where to turn for financial support
- choosing the best options among all the possibilities,
- pointing to funders and lenders who can support their growth plans
- defining business planning or financial modelling.

Moreover, startups and entrepreneurs will find also

Expert Advice that will allow them to work closely with their own dedicated specialist advisor to ensure their business is on-track for success.

Workshops: on the different t business area including:

- How to get investment ready
- Sources of finance for startups
- Funding clinics

Networking Events: Meeting people is essential to growing your business. Become part of our business community

This program will also provide entrepreneurs with GLOBAL information at local, national and European level and access to the different public and private organizations working on this issue.



WHO CAN APPLY:

- Startups in early stages of life
- Profitable projects in the expansion phase.
- Innovative projects

HOW

- Participative loans or reimbursable aid at a reduced interest rate
- Co-financing: either by a recent capital contribution and/or by own funds
- compatible with private and/or bank financing.
- Without personal guarantees
- For small amounts: from 25,000€

Players involved

ENISA (Spanish National Enterprise for Innovation). They will be in charge of implementing the participative loans for Spanish startups

The role of INCYDE in the implementation of this action 2 will be an advisory partner to ENISA supporting and providing ENISA with all the relevant information on the entrepreneur's financial needs and the best way to facilitate their access to it.

The regional Government will not have any role in this action as ENISA is a National state-owned company and not a regional one.

Timeframe

2019 and 2020

Funding sources:

ENISA is a state-owned company that falls under management of the General Directorate of Industry and SMEs, itself integrated into the Spanish Government's Ministry of Industry, Commerce and Tourism. As stated the loans will be co-financed also by private funds

The annual amount ENISA has allocated for these loans is 20M€. The estimate cost of this action cannot be foreseen as it will depend on the number of entrepreneurs asking for these loans.

This action will contribute to the improvement of the OP as it will provide financing to the entrepreneurs through ENISA which is a state-owned company that works under the OP framework.

3.3. ACTION 3

ACTION 3 IMPROVING OUR HIGH-TECH INCUBATORS PROGRAMME

The background

- The INCYDE Foundation participates in the ERDF- Multi-Regional Operational Program of Spain as an Organism with a Financial Path, with the IMPLEMENTATION OF THE HIGH TECHNOLOGY INCUBATORS project to promote innovation and the transfer of technology to micro-SMEs, which is conceived as a fundamental instrument to promote the smart, sustainable and inclusive growth that the European Union pursues for the coming years.
- The project includes the creation of High Technology Incubators distributed throughout the national territory, and according to the RIS3, which will help sectorial-regional specialization for the regional position in international value chains. Due to the nature of the project, it can be considered as a multi-location project as incubators have specialized facilities/ equipment in different locations.
- The project integrates a set of lines of action aimed at achieving a single objective: the contribution to the development of the regional productive fabric, through the increase in the survival rate of micro-SMEs, motivated by the incorporation of R+D+i in SMEs.
- The High Technology Incubators are conceived as a project focused on the transfer of technology from the institutions responsible for R&D&I in Spain, to SMEs and vice versa. For this purpose, it is essential to have a network of partners that will provide the necessary services so that the incubated micro-enterprises (whether they are newly created or not) receive R & D to be applied in their business models.

Action: Improving our High-Tech Incubators Programme

- **Why?** Because we want to foster the Spanish ecosystem improving the innovation through a better link between startups and companies.
- **What?** We are looking for evolutionary (not revolutionary) approaches to the services in the incubators.
- **Who?** The target group for the innovations to be developed should be the startups and corporates.
- **Which?** The main goals: 1) Engage corporates; 2) Attract valuable startups; 3) Generate revenues for sustainability

The main objectives of the Project are:

- Incorporation of innovation into the regular activities of incubated Micro-SMEs.
- Creation of knowledge alliances among agents involved in technological and business development.
- Increase the innovation capacity in Micro-SMEs, in order to improve their competitiveness.
- Modernize the region's productive fabric fostering the creation of companies with smart and sustainable growth.
- Maximize the existing resources and to avoid duplication of investment

This action for the improvement of our High- Tech Incubator Programme will have three main activities:

- i. **CREATE A ROADSHOW FOR THE HIGH-TECH INCUBATORS (HITIs)** (*inspired by the Roadshow of the PODIM conference, lesson learnt during the Innova foster project from our Slovenian partners*). They would be days of diffusion and networking among the different actors involved in the high-Tech incubators network (managers, directors, companies incubated, universities, scientific centers, ...) to visit other incubators on a rotating basis to publicize and exchange information about what is being done in each one. It would be a good way to look for synergies between complementary sectors, identified, as emerging sectors of the new economy.
- ii. This activity will be complemented by a **NATIONAL CONGRESS OF HIGH - TECH INCUBATORS** that will take place every two years to give visibility to the potential and strength of this project. The fact that from time to time the impact and growth of this project can be visualized is positive because it is a way to give consistency to the success of the project. Entrepreneurs who visualize the benefits of these sectoral synergies will be more incentivized to participate in these technological incubators. This experience will be adapted to the reality of this case but taking into account the general principles that we observed, again, in the example of the PODIM conference.
- iii. **CREATION OF A CENTER OF EXCELLENCE IN CYBERSECURITY IN MADRID** that will serve as a transversal service to all the High Technology Incubators specialized in each sector, and therefore to all the incubated companies. In addition to this transversal function, It will also promote the creation and competitiveness of companies specialized in this emerging sector.
- iv. We will also improve the progression of our High-Tech incubator network by **IMPLEMENTING A NEW SELECTION CRITERIA METHODOLOGY** *explained to us in the coworking space in TKALKA in Slovenia*, during the exchange visit. This is an innovative criterion for the selection of incubators that promotes social entrepreneurship based on new social and environmental criteria: social economy, tourism, sustainable development and environmental programs.

Players involved

INCYDE Foundation, will be the institution providing management, coordination and technical support for the project

Other organizations acting as partners of the project at each center. E.g: Universities, Scientific and Technological Parks, Economic Promotion Societies, Free Zones, etc ...)

Timeframe: end of 2019 on going

Costs.

The total investment of the project, for the next 6 years is 32.5 M€ (21.6 M€ provided by ERDF Fund).

Funding sources:

- ERDF: Spanish Multi-regional Operative Programme
- Incyde Funds.

Depending on the European qualification of the Spanish regions financial distribution rate will be different:

- Less developed and transition regions: 80% ERDF and 20% INCYDE
- Competitive region 50% ERDF and 50% INCYDE

This action will contribute to the improvement of the OP as it will be part of the OP guidelines on entrepreneurship.

3.4. ACTION 4

ACTION 4: NATIONAL FORUMS ROAD SHOW TO FOSTER ENTREPRENEURSHIP MINDSET

The background

Entrepreneurs capable of generating value and well-being are one of the pillars for the development of modern economies.

In this context, innovation and entrepreneurial spirit become the key answer to the market demands in terms of innovation, talent and new professional profiles. This new world requires people who want to develop their own project, are open to constant change and adaptation of their talent, and want to guarantee their employability and professional development.

Therefore, we want to launch an action to promote entrepreneurship, training in skills and abilities, awareness of the opportunities and challenges of the global market, and at the same time, generate a platform that brings together the different players of the entrepreneurial ecosystem: investors, corporations that seek innovation through those who generate it, entrepreneurs, and the different entities and organizations whose purpose is to support and develop entrepreneurship and innovation.

We have decided to do this dissemination of the entrepreneurial mindset among university students following the TARTU model organizing the events in different universities across the country. Each university roadshow event will be inspired in the spirit of the Estonian sTARTUp Day, because our goal is to make it an event where startupper, traditional entrepreneurs, and students will discuss early stage businesses. Much like the sTARTUp Day we want these roadshows to be events where people (mainly students and academics) "who have thought about creating their own startup can get the necessary motivation and actually go through with their idea". In addition, at these events students and academics with an interest in startups and technology can meet others with similar interests and grow their network, just as learnt in the roadshow format inspired by the Podim conference's roadshow.

The main goal of these events is also the same as the sTARTUp Day, which is to try "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". In addition we will also use Tartu's know-how in tailoring these events to the university ecosystem.

Action: National Forums Road Show to foster Entrepreneurship Mindset

National forums roadshow, aimed at promoting entrepreneurship and raising awareness of opportunities, which seeks to strengthen local and international entrepreneurship ecosystems, interconnecting events at the national level.

The different forums will focus on the target audience training through conferences, inspirational talks, workshops, using participatory methodologies to enrich the experience. But the differential element of this project will be the interconnection of events at the national level. One of the problems that exists today is the distance between regional entrepreneurial ecosystems. INCYDE being one of the few entities present in all the national territory, and as the project coordinator, will ensure the connection among the relevant actors of other regional ecosystems, thus promoting the establishment of links between them.

The design of the contents will be done in collaboration with the regional entities responsible for the events in each territory where the event will take place.

The events will be always focus on entrepreneurship and specifically designed for new entrepreneurs or people who may consider becoming entrepreneurs.

The event will be essentially divided into three types of actions:

- **Presentations.** Usually made by prestigious experts, with knowledge and experience broad enough to be the center of an inspirational presentation.
- **Round tables.** It is the option used when we want to oppose opinions or generate debate around an issue or issue. In this way perspectives are combined, and conversation is enriched.
- **Workshops.** Because of its complexity, since they are difficult to organize with a large audience, it is the most limited resource. It is used when you want a "demonstrative" effect (of the type "you can do it") or you opt for a "learning by doing" methodology.

Players involved

INCYDE Foundation, will be the institution providing management, coordination and technical support for the project.

Different public and private institutions responsible of the territorial forums: City halls, financial foundations, Chamber of Commerce, other institutions involved in the entrepreneurial mindset.



Timeframe

2019 on going

Costs.

Around 1 Million euros per year (50.000 to 100.000 €, each Forum)

Funding sources:

ESF co-financed together with the regional institutions participating in each territorial event.

This action will contribute to the improvement of the OP as it will help on the dissemination and information of this OP among the entrepreneurs.

4. CONCLUSIONS

The interregional cooperation programme has a particular focus on networking, exchanging and transferring experiences, with the aim to find solutions to common challenge. Innova Foster, as an Interreg Europe programme has met the two main Interreg operational objectives: to strengthen regional policies and to support exchange of experience and sharing of practices among actors of regional relevance.

This Innova Foster Action Plan has fulfilled the expected process of collecting, analyzing, disseminating and transferring good practices and policy experience in the particular field of startups ecosystems, exploiting and deploying the results achieved by the regions in that field.

Considering that one of the most important outcomes of this project is to provide lesson learnt that can be incorporated to the instrument addressed in order to improve it, and as stated in the introduction, we expect to improve the OP by the integration of the lessons learnt through the cooperation. We want to modify the existing measures under the Thematic Objective 3 to help the techbased SMEs created to rampup, survive and grow.

As we've done in the past, we can ask and obtain modifications in the initial OP design. We need a sound proposal about what and how we want to modify, and the best way to do this is through lessons learnt from other European policies.

Incyde together with the chamber of Commerce are some of the institutions, together with the Madrid City Council, are asked about their position while evaluating the Smarth Growth OP progression. We will include all these lessons learnt, during Innova foster project, as part of our recommendations in order to improve the instrument addressed. In this sense, we can consider these lessons as a positive learning for the improvement of the instrument. We should highlight, here, the fact that both the Madrid City Council and the national Ministry for Industry are stakeholder of the project and therefore they are aware of all the actions developed in this Innova foster project framework. Taking all this into account we can trust in the possibility that these actions develop through this Innova foster project will be, in different ways, integrated and supported by the policy instrument addressed.

Now, after the definition of our ACTION PLAN we face Innova Foster project phase 2, dedicated to monitoring the implementation of the action plan. We are confident that during this second part of the project we'll be able to settle all the knowledge gained



during phase I and materialize it with the development and progression of concrete action which will allow us to reach both goals:

-Innova foster objective of helping and improving our startups ecosystem

and

-Interreg Europe objective of influencing positively the policy instrument addressed to improve the regional/national entrepreneurship policies.

Since the projects results mainly consist in integrating the lessons learnt from cooperation into the relevant local, regional or national policies, we understand the importance of addressing regional needs and, moreover, making these results durables in each region, beyond the lifetime of the project.



Fundación Incyde Lead Partner Organization

Date: 18-12-2018

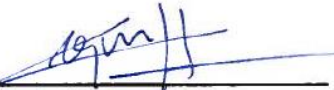
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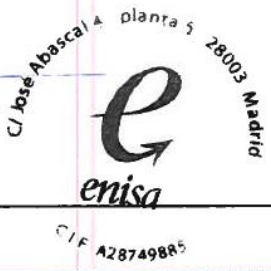


Stakeholder: ENISA (Action 2)

Date: 18/12/2018

Signature: 

Stamp of the organisation _____



Regional Stakeholder: Madrid City Council

Date: 19/12/2018

Signature:

Jose Javier Rodriguez
DEPUTY DIRECTOR GENERAL OF INNOVATION AND SMARTCITY

Stamp of the organisation _____

