## **RAISE**

Regions' Alliances for Interconnected Start-up Ecosystems

FINAL CONFERENCE





# RAISE - Regions' Alliances for Interconnected Start-up Ecosystems

The main goal of RAISE is to develop a new and sustainable integrated support

framework to foster start-up growth and scale-up across Europe in all its dimensions,
from initial funding, research support to public incentives and internationalisation.

This will result in promoting competitive business models, unconventional
collaborations and solutions from all over Europe, and contributing to the

establishment of a true European startup ecosystem.

### **PROJECT CONSORTIUM PARTNERS**

All **five organisations** implementing the RAISE project are active at the European level spanning the whole spectrum of startup support and growth: access to public funding, business angels, research & innovation.













The RAISE project is financed by European Union through the GRANT AGREEMENT concluded with the European Innovation Council and SMEs Executive Agency (EISMEA), under the powers delegated by the European Commission. Project number: 101070749

### RAISE specifically aims to





Link Key Players



Plan Common Actions



Reach out to several regions in the EU



Contribute to the visibility of the new support framework

## RAISE project's phases



# An Interconnected Startup Space

We will establish sustainable and in-depth links between the partners and local or regional, or national ecosystems and launch a community of practice that facilitate the growth of scale-ups in Europe.

# New Startup Business Models

We are developing a common action plan for supporting new startup business models into solid technical and conceptual frameworks at the EU and global level.

# Best Practices and Policies

We will map and promote support activities to startups conducted at the regional level across Europe and mobilise regional efforts to address relevant barriers to startups' growth.

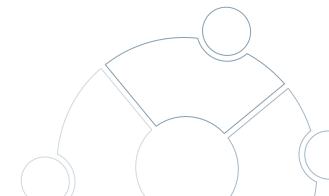
### **PILOT ACTIONS**

The RAISE Pilot Actions carried out supporting activities for startups, such as coaching, informative sessions, and matchmaking events. They were deployed by the partners according to **five main lines**:

- **1. Business Models** Provide comprehensive support in structuring and developing a "role-model" business plan for startups and scale-ups.
- **2. Business Partnerships** Expand sales channels, technology partners, and other business partnerships to introduce competitive products or services to the market.
- **3. Seed Capital/Venture Capital** Map the financial needs of startups/scale-ups and provide training, assistance, and services related to seeking finance and financial investment.

- **4. Talent matching** Develop matching services to connect entrepreneurial spirit with research talent for global ventures.
- **5. Women entrepreneurship/Rural entrepreneurship** promote female/rural entrepreneurship through upskilling and mentoring sessions.





#### RAISE INTERACTIVE MAP OF STARTUP-FRIENDLY MEASURES

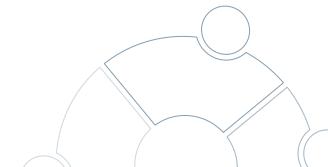
RAISE developed a useful tool for start-ups looking for information about how to access European Structural and Investment Funds.



### **COMMON ACTION PLAN**

Partners are designing, refining and further developing a common action plan for supporting new startup business models into solid technical and conceptual frameworks at the EU and global level, and facilitate the scale-up of the ideas at European and international scales.

The RAISE project has created a **Regional Steering Group** to **steer and validate** the action plan activities carried out along the project by analysing it and providing feedbacks.



## **THANKS for your attention!**

Giorgio Alessandro SERN – Startup Europe Regions Network giorgio.alessandro@startupregions.eu



# How to turn Europe into a world start-up ecosystem?

Prof. R. Aernoudt

www.Rudyaernoudt.be

raernoudt@gmail.com





## About myself: entrepreneurial pracademic

**ACADEMIC** 

Economics/ Philosophy/ Eur. economy Professor
University
Ghent &Nancy
& BMI

Author (35 books) & 350 Papers

Columnist FD Magazine/ Trends

**PROFESSIONAL** 

Director of cabinet (EU, Wall/Flanders Belgium)

Secretarygeneral Dept. economy & innovation

Special advisor EU-Presidency

Chief economist European commission

ENTER-PRENEURIAL Co-Founder EBAN & FREE

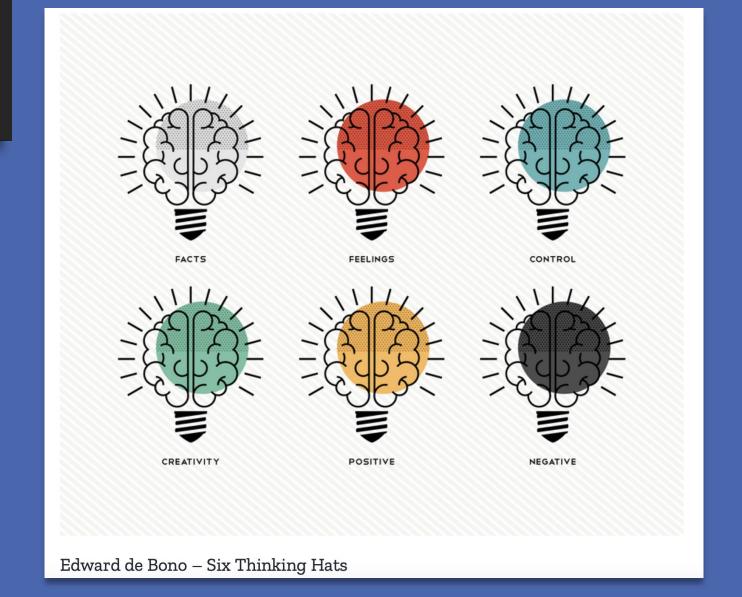
Curator TEDx Brussels European chair WBAIF

CEO/CFO (OLPC, spinoff of MIT)

#### Noblesse oblige in Malta

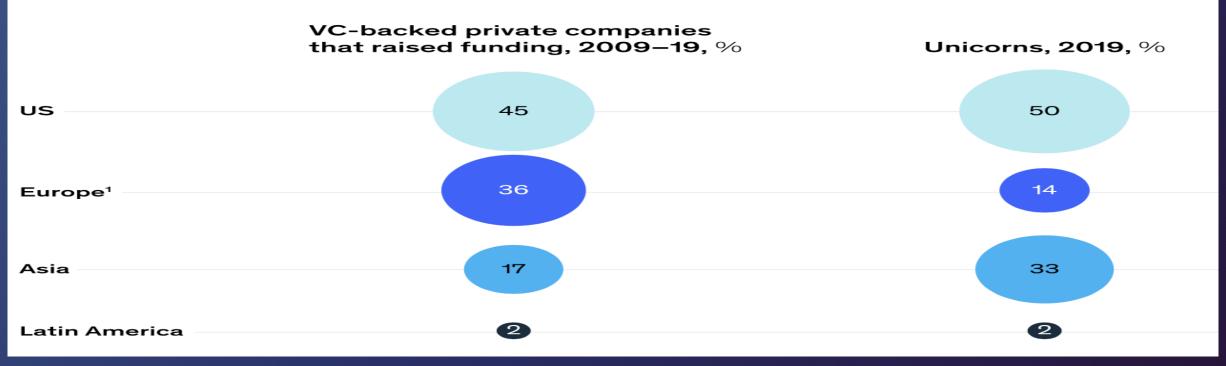
- "You cannot dig a hole in a different place by digging the same hole deeper"
- This means that trying harder in the same direction may not be as useful as changing direction.

Edward de Bono

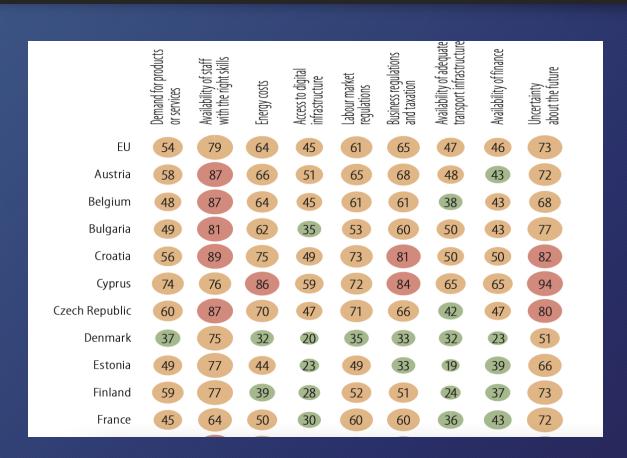


# 36% of start-up are EU-based

Europe produces about 36 percent of global start-ups but only about 14 percent of the world's unicorns.



# #1: (Un)certainty about the future



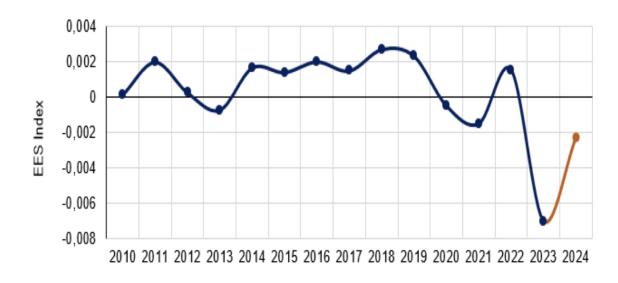
Germany Greece Hungary Ireland Italy Latvia Lithuania Luxembourg Malta Netherlands Poland Portugal Romania Slovakia Slovenia Spain Sweden United Kingdom

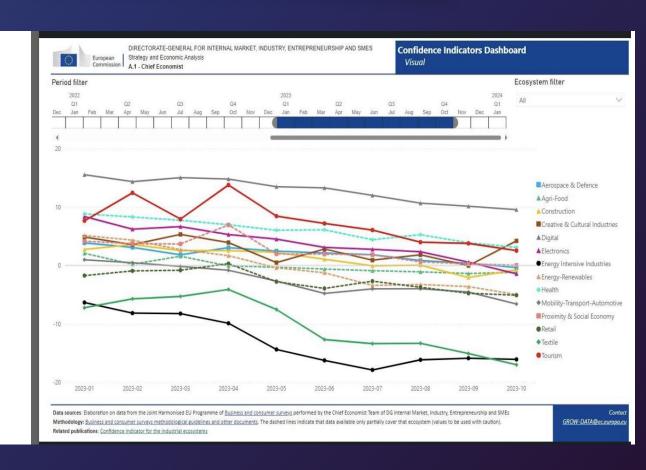
Source: EIB report 2022

## #1: (Un)certainty about the future

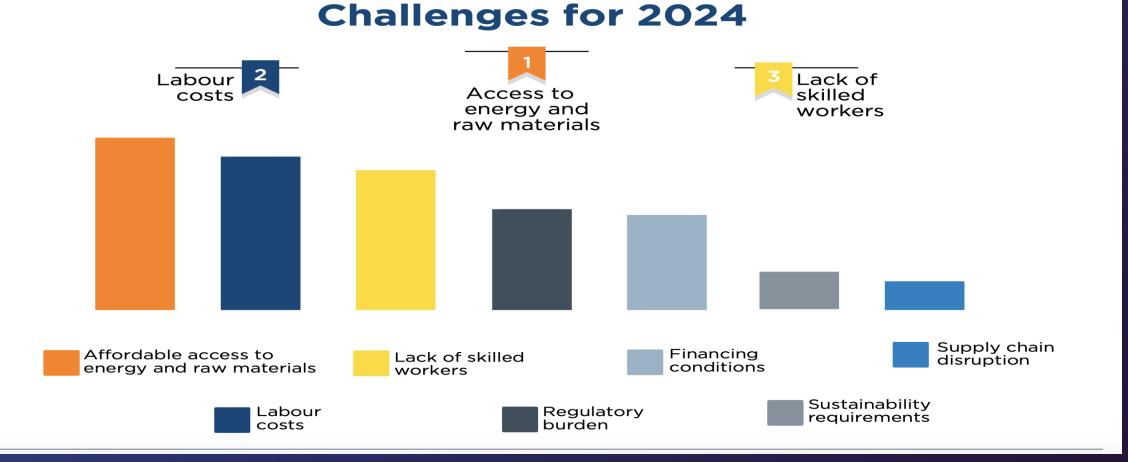
#### **Business Confidence Index 2024**

Low expectations on domestic sales, exports, employment and investments continue to cloud the outlook for 2024



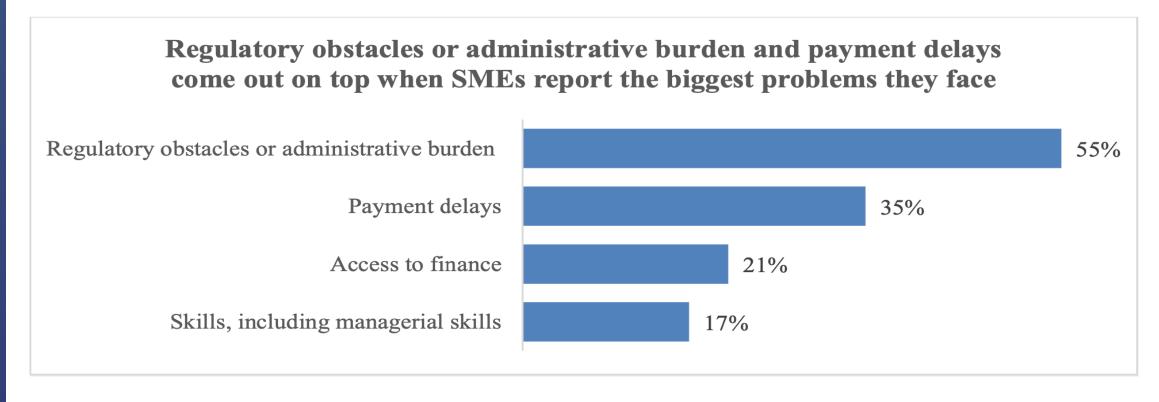


# #2: Factual EU-Challenge for 2024

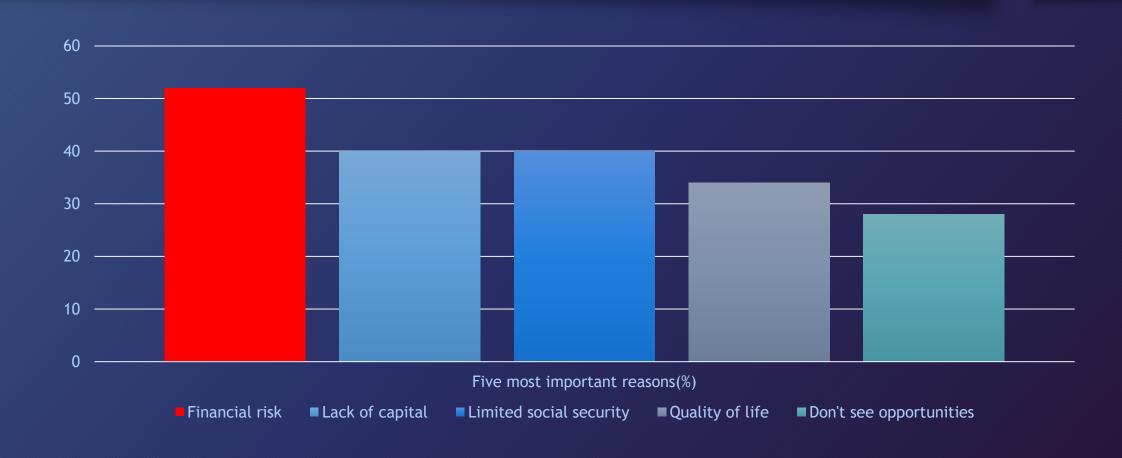


# Eurobarometer sept 2023

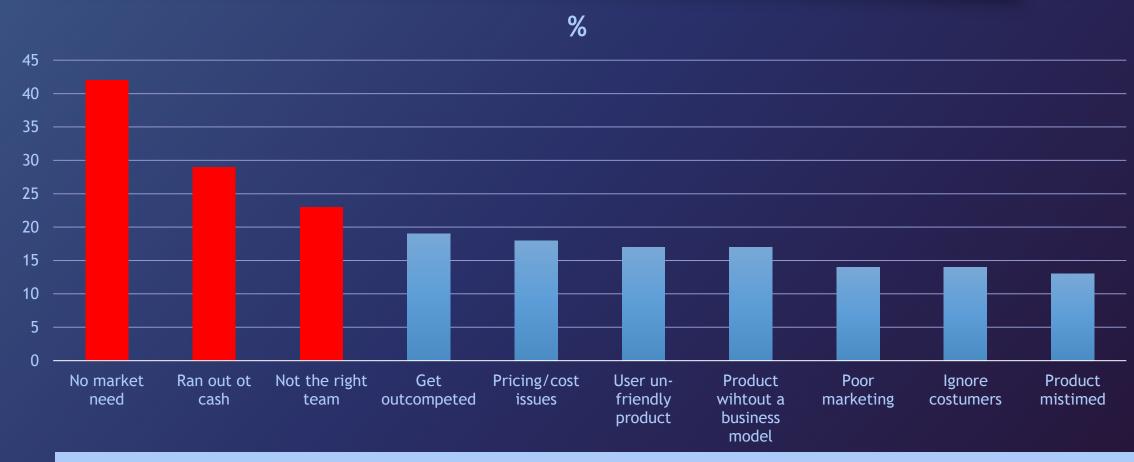
Figure 1: Key challenges for SMEs; source: Flash Eurobarometer 486



## #3 Mindset challenges: Evidence: Why not to "start-up" a business?



# 1. Financial risk 50% of start-ups don't celebrate their 5th birthday



Based on analysis of 100 port-mortem start-ups, CB-insight, 2023

Directive (EU) 2019/1023: legislative initiative on business insolvency, including early restructuring and second chance (transposition the latest 17/7/2022)

Facilitating negotiations on Preventive restructuring preventive restructuring plans frameworks Discharge of debt Stay of individual Restructuring plans enforcement actions

# Financial Risk & early warning

### European Network for Early Warning



- A network organization of 33 partners across Europe, cooperating at authority and service provider level
- 14 countries with Early Warning mechanisms and 4 in the pipeline
- more than 1000 EW mentors, in the process of stronger integration. Focus: peer learning and cooperation
- A knowledge centre (www.eweu-learningplatform.eu)

#### Second chance policy: why?

#### • Facts:

- too many entrepreneurs go bankrupt
- Very hard to start again (blacklisted)
- "Entrepreneurs experiencing a bankruptcy are eager too restart
- The productivity of 'second' entrepreneurs is higher than the 'first-times'
- "if all the Member States where the discharge period exceeds three years reduced it to three years, in the long run, the level of EU28 GDP (at constant prices) could be about 1.0% higher each year."

#### Policy measures

Legal procedures <1 year

Discharge <3 years

Restarters on equal foot as start ups

Information on stigma and failure

Possibility of automatic discharge

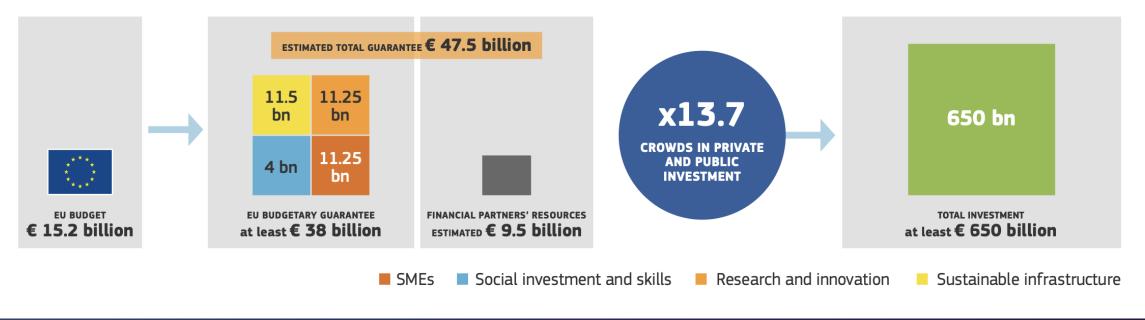
Fast track procedures

Early warning help desk mechanisms

## 2. Lack of capital: InvestEU 2021 - 2027

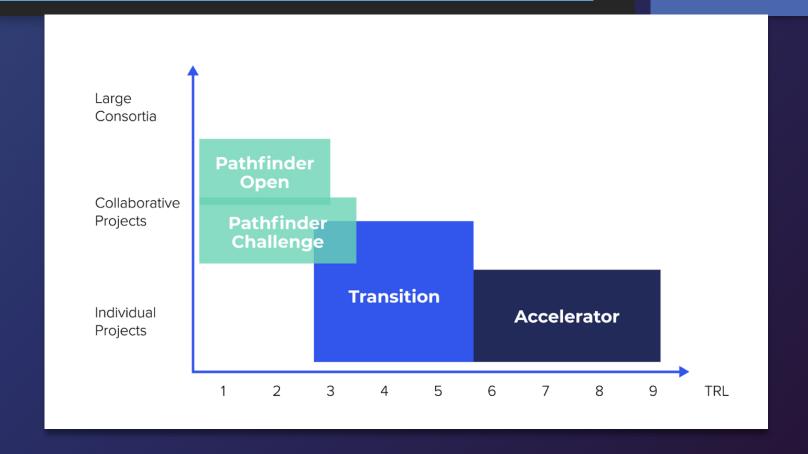


## **HOW WILL THE INVESTEU FUND WORK?**



### EIC (European Innovation Council)

- Pathfinder: 3 M
- Transition: 4 M
- Accelerator
  - Grant: 2,5 M
  - Equity: 15 M



#### Late Payments

- Revision of directive
- Replace the current Directive with a Regulation
- Adopted EP at 23 April 2024 plenary session
- By being paid on time, companies will save each year at least five man-days currently lost to chasing debtors, equal to 340.2 million man-hours, or almost €9 billion for the entire EU economy.

#### How do late payments impact EU businesses?

500 invoices are sent every second in the EU. However, only 200 of them will be paid on time. Here are some facts about late payments.



#### More than 60% of EU businesses

are still not paid on time and SMEs are most affected.



#### 1 in 4 bankruptcies

are due to invoices not being paid on time.



#### €158 million in financing costs

for EU companies could be saved per day by reducing payment delays.



#### 900,000 jobs

could be created in the public sector thanks to timely payments.



#### 20% of businesses

consider payment delays as a barrier to their green transition.

Source: European Commission

# 3. Social security

- MS responsibility
- Some MS have concrete actions
  - Eg: Unemployment benefits for entrepreneurs that failed (fraud cases excluded)
  - Eg: personal bankruptcy versus company bankruptcy
- EC can stimulate benchmarking
- Role of RAISE !!

4. Quality of life: Why become entrepreneur

I admire other entrepreneurs

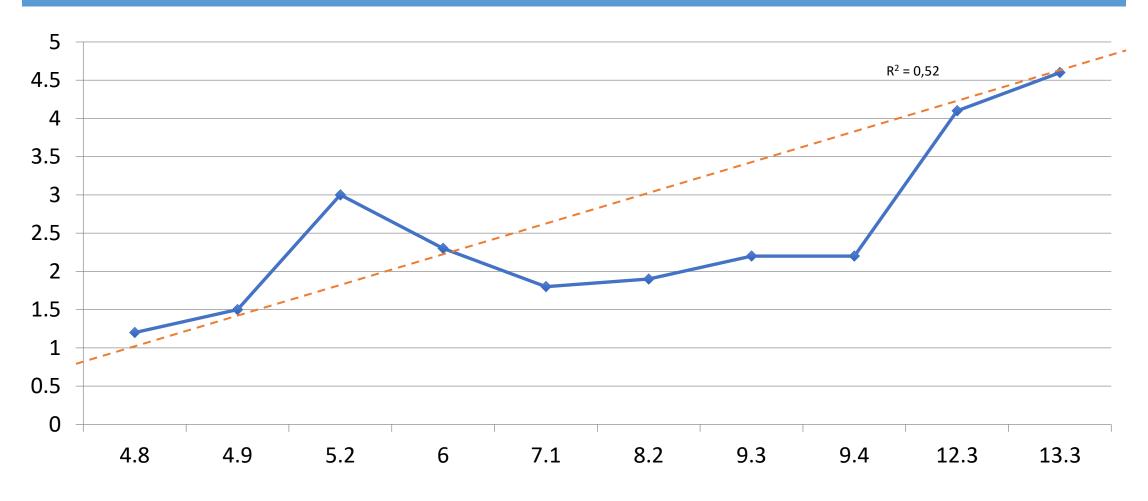
Life is too short to work for a boss

Can't handle a nine-to-five job

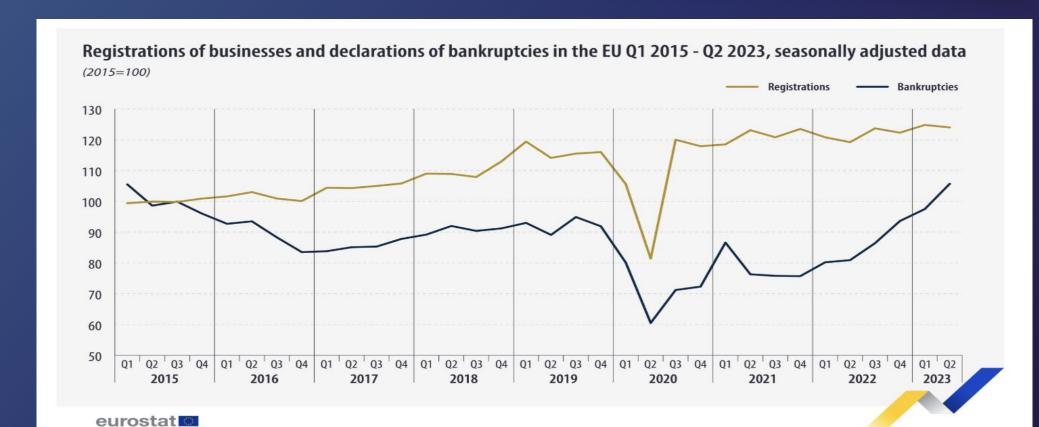
I like risk - not monotony

I have no choice/personal

# 5. Mindset: Entrepreneurship & regional growth (n+1)



## Bankruptcies and registrations: who wins?

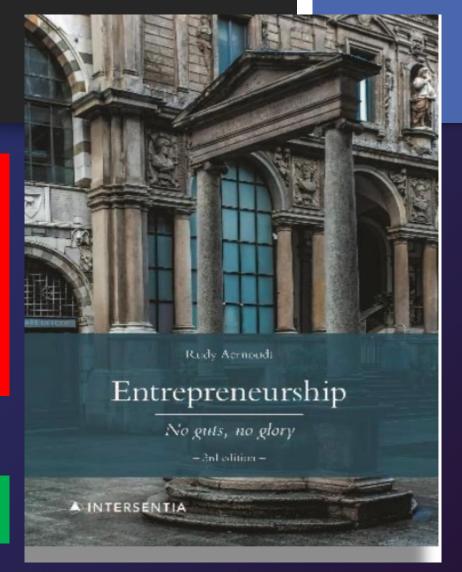


### La Pietra dei Falliti

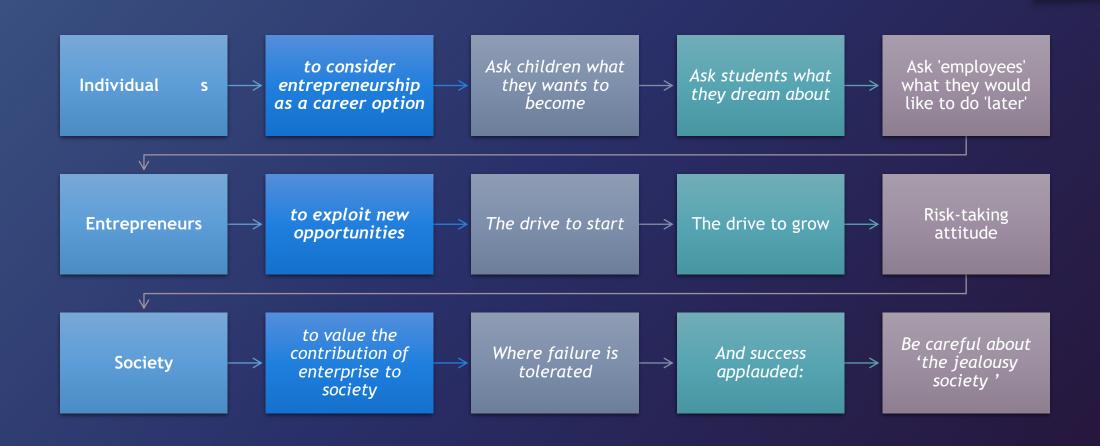
Al centro della piazza si trovava la "pietra dei Falliti", sulla quale i debitori insolventi erano costretti a stare a natiche nude, affinché il loro stato di insolvenza fosse reso pubblico e noto ai commercianti.

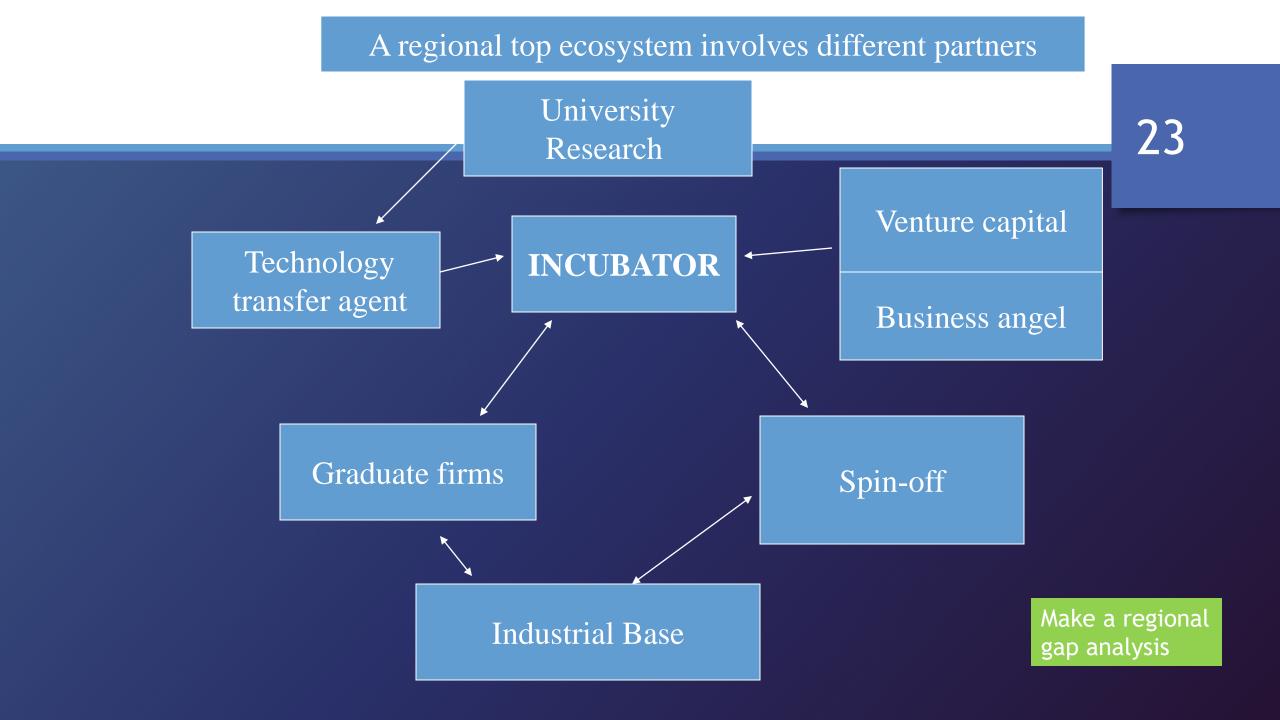
EU-survey:
1/3 people
think that
enterprises go
bankrupt due to
fraud

Truth = 4-6%



# Entrepreneurship is a mindset





## Summary: Evidence-based policy applied

Obstacle	Policy response: start-up eco system
1.Financial risk	Business insolvency initiative including early restructuring and second chance policy (SMS)/Early warning
2.Lack of finance	<ul><li>1.Guarantee: up to 80% of default risk</li><li>2.Equity: EIF/EIC/ESCALAR</li><li>3.Crowdfunding &amp; Business angels</li></ul>
3.Social security	Access to unemployment allocations in case of failure (MS competence)
4.Quality of life	Personal choice but should be an equal choice (education is crucial)
5. Entrepreneurship	Stimulate entrepreneurship = mindset Make it easier to establish Start-Ups in other EU country (simple VAT, legal certainty, EU-company law, trans-border financing)

# Entrepreneurship: a mindset

Entrepreneurs are simply those who understand that there is little difference between obstacle and opportunity and can turn both to their advantage

Niccolo Machiavelli (1469 - 1527)



RAISE your impact: A practical guide for start-up scale up



Regional Alliances for Interconnected Ecosystems

#### Agenda

- 1. Introduction
- 2. The Startup Nations Standard of Excellence
- 3. RAISE Action Plan Activities
- 4. RAISE Startup Pilots
- 5. Verklaren's Story



#### The Startup Nations Standard of Excellence

### The EU Startup Nations Standard of Excellence (SNS)

 Set of practises aimed at promoting entrepreneurship in the European Union and accelerating the growth of startups

- 24 EU Member states and Iceland have adopted them

#### The SNS are Built on 8 key pillars:

Fast Creation

Talent

Stock Options

Innovation Regulation

Innovation Procurement

Access to Finance

Social Inclusion

Digital First







#### **Startup Nations Standard**

#### **Activities related to SNS Indicators**

The RAISE concept is an integrated approach that builds on the synergy and complementarity of several pan-European dimensions in order to cover the full cycle of support to startups and scaleups.

FAST CREATION	TALENT	STOCK OPTIONS	INNOV REGULATION	INNOV PROCUREMENT	ACCESS TO FINANCE	SOCIAL	DIGITAL FIRST
From Idea to Success Navigating the EU funded programs	Access to DIHs, R&D centers, test laboratories and promo in their regions  Knowledge and innovation transfer	Ways of Financing a Start-up  Subsidy vs Loan vs Fundraising  Equity vs Convertible Notes	Finding Angel Investors Cross-Border Investments VAT common Area	Financial Terms and Conditions  Alleviating the tax associated burden in cross-border investment	Finding Angel Investors  Subsidy vs  Loan vs  Fundraising  Nailing a  perfect pitch	Find the Right Investor Track your Impact	Innovative business processes that support digitalization  Data Driven  Client oriented
	Acceleration/ Incubation Programs			Securitisation Regulation			

#### The Startup Nations Standard of Excellence Indicators

 The 8 pillars of the SNS each have best-practices associated to them based on international success stories

- RAISE has converted these to a set of practical activities to:
  - Measure the current adoption of best practices in member states
  - Identify where startups are having success and where they struggle
  - Support startups with training and mentoring sessions to help them scale



#### For Example: Fast Creation

- 1. Develop a minimum viable product (MVP) to test the market
- 2. Create a go-to-market strategy
- 3. Build a strong brand identity
- 4. Use social media to reach potential customers
- 5. Attend industry events to network and build relationships
- 6. Get the basics down
- 7. Automate everything
- 8. Boost marketing
- 9. Outsource non-essentials
- 10. Hire the right people (and only the right people)

#### **Pilot Studies**

Pilot studies were carried out by partners with selected startups to:

- Identify key areas where they needed support
- Discuss how much their local ecosystem adopted SNS practices
- Provide training, mentoring or investment readiness services
- Gain feedback on the RAISE Action Plan and further refine it

#### **Common Action Pilots: Business Models**



#### Objective

Provide comprehensive support in structuring and developing a "role-model" business plan for startups and scale-ups.

#### Areas of Focus

Business concept, applications, production, industrialisation, target markets, competitors, pricing, financial needs, impact measurement, and time to market

#### Approach

Partners used information gathered in the idea stage to offer startups advice and support for creating a robust business model.

#### **Common Action Pilots: Seed Capital/Venture Capital Actions**



#### Objective

Map the financial needs of startups/scale-ups and provide training, assistance, and services related to seeking finance and financial investment.

#### Areas of Focus

Help startups organise their business ideas from a viable financial perspective, develop business models aligned with economic scenarios, and improve marketing or commercial plans.

#### Approach

Connect startup promoters with Corporations, VCs, and private equity firms, facilitating discussions on potential common interests and investment opportunities.

#### **Common Action Pilots: Business Partnerships Actions**



#### Objective

Facilitate training, mentoring sessions, and technology transfer through partnerships with universities to enable startup promoters to enter the market.

#### Areas of Focus

Expand sales channels, technology partners, and other business partnerships to introduce competitive products or services to the market.

#### Approach

Organise networking and matchmaking events in the pilot stage to connect startup promoters with mentors and trainers who can help them access their target market.

#### **Common Action Pilots: Women Entrepreneurship**



#### Objective

Promote female entrepreneurship through upskilling and mentoring sessions.

#### Areas of Focus

Women CEOs of startups operating in the rural and peripheral world

#### Approach

Disseminate initiatives and activities through the Women Entrepreneurship Working Group, emphasising the importance of supporting and empowering women in entrepreneurship.

#### **Common Action Pilots: Talent Matching**



#### Objective

Encourage scale-ups to promote their concepts and ideas through a platform that matches entrepreneurship needs and opportunities.

#### Areas of Focus

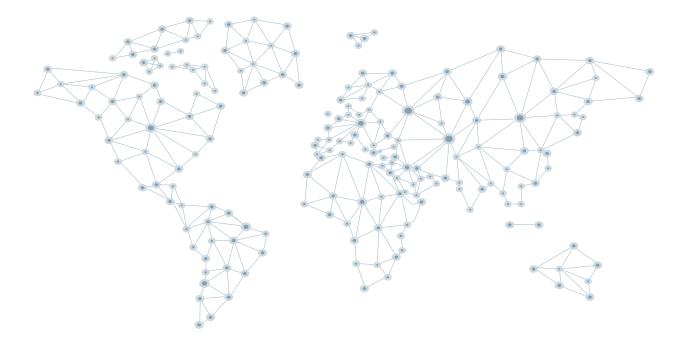
Develop matching services to connect entrepreneurial spirit with research talent for global ventures.

#### Approach

Use the ICorsa platform to connect with a pool of over 600 worldwide researchers linked via the RRing Community, fostering connections between entrepreneurial endeavours and research expertise.

#### Pilot Action Plan

• These pilots provided feedback which has been combined with recommendations from experts within the Regional Steering Committee to refine the RAISE Pilot Actions and support scaleups across the EU.



# RAISE

Regional Alliances for interconnected Ecosystems

**THANK YOU!** 



# CREATIVE COMMUNICATIONS AGENCY.

## Case Study:

### Strategic Development through Research

Presented by Dlakić Muhamed & Szilagyi Robert



# Initial Challenges

Verklaren demonstrated a critical need for the establishment of a a dedicated research function to identify its niche and potential market. This limited the firm's growth potential.

Size and number of employees

Lack of the necessary infrastructure

Absence of a dedicated research function



# Engagement within RAISE



Skills in market research, innovation funnel development, idea validation, and utilizing data-driven insights.

02

Activities through matchmaking with researchers and recommendations on resource allocation.

03

Integrating insights into daily operations, emphasizing market research, innovation funnels, and data-driven decision-making.

04

Establishing niche market targeting European NGOs, refining services, and developing a strategy for effective engagement.

#### Impact on Verklaren

- Success of pilot action
- Establishment of strategic direction and mission
- Newly defined market segment and niche targeting
- Expansion of global network

#### Lessons Learned

- Conducting market research
- Developing innovation funnels
- Utilizing data-driven insights
- Shaping startup strategies
- Efficient and effective resource and personnel allocation
- Engagement with NGO clients



## SERVICES

Communication Strategy Development



Social Media &
Newsletter Management

Content: Copywriting & Content Proofreading

Graphic Design & Video Production

Website Development & Management



# WE ARE VERKLAREN, AND WE DELIVER FULL CREATIVE SUPPORT.

Thank you very much! www.verklaren.space

## The RAISE Guide on "How to use Structural Finds for start-ups support"

Final Conference – Navigating Structural Funds with RAISE startup support interactive map

09 May 2024

Giacomo Frisanco <u>giacomo.frisanco@eurada.org</u> EURADA – European Association of Development Agencies





#### The Guide: the background

Through the **European Structural and Investment Funds - ESIF**, the European Union supports bolstering employment, fostering a sustainable and resilient European economy, and promoting environmental stewardship.

In the process of avoiding existing lack of integration between different support services and action plans that create gaps in start-up support at EU level, we evaluated the evolution of startup-friendly regional policies and programs financed or co-financed by ESIFs or the Next Generation EU program.

The European Structural and Investment Funds, in the financial multiannual programme 2021-2027, are composed of the European Regional Development Fund; the European Social Fund; the Cohesion Fund, and the European Agricultural Fund for Rural Development.

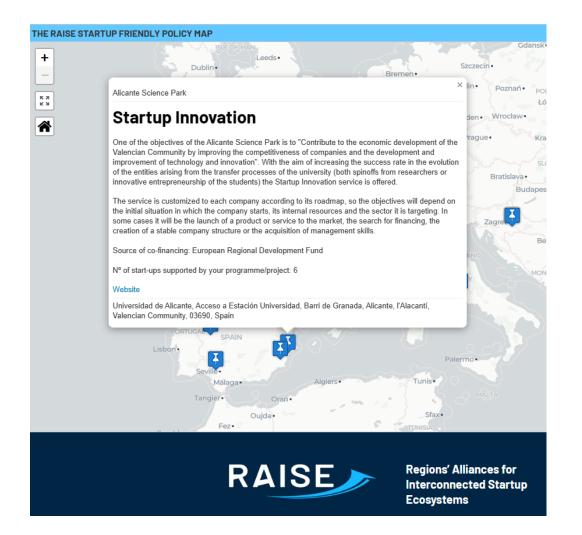


#### The Guide: the building process

**Step 1** – Desk research of some of the existing funding programmes in the framework of the 2021-2027 multi-annual financial programme.

**Step 2** – Survey creation and dissemination through different European networks. Gathering and clustering of startup-friendly regional policies and programs.

**Step 3** – Drafting of the Guide including description, access criteria and relevant examples. Creation of an interactive map showcasing the results.



# The Interactive Map

Startup Friendly Policy Map - RAISE fosters startup growth and scale-up within and across Europe (theraise.eu)



#### **General Observations**

- 1. **EU Green Deal** and the **Paris Agreement** are considered as two essential pillars in shaping the future of the European economy.
- 2. 2021-2027 funds have a clear focus on **improving the social rights** of the European citizens, as well as to tackle economic disparities and **promote gender equality**.
- start-ups aiming to somehow minimise disparities between EU members could have more chances to obtain funding.
- 4. Star-ups interested in obtaining EU funding must consider presenting their initiatives as a way to **promote** and **foster green growth**.



#### Thank you very much!

Giacomo Frisanco

EURADA – European Association of Development Agencies

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#### **RAISE**

#### COMMON ACTION PLAN

Needs and expectations of the start-up sector

Giorgio Alessandro SERN – Startup Europe Regions Network giorgio.alessandro@startupregions.eu



#### Common Action Plan: methodology



1. Defining the scope of the plan



2. Providing a framework for the analysis



3. Defining the activities



4. Clustering and prioritizing the activities



5. Developing the plan

## DEFINING THE SCOPE OF THE PLAN



#### **Common Action Plan definition**



Providing an overview of the **needs and expectations** of the startup sector and recommendations for startup-friendly measures.



Taking into account 8axis outlined in the **Startup Nations Standard developed** by the European Startup Nations Alliance (ESNA)



Clear steps on how to support start-ups and guidance for start-ups aiming to implement activities that will help them scale up.

# PROVIDING A FRAMEWORK FOR THE ANALYSIS



#### **Startup Nations Standard Dimensions**

Fast creation

Talent

Stock options

Innovation in regulation

Innovation in procurement

Access to finance

Social inclusion

Digitalisation

# DEFINING THE ACTIVITIES



The RAISE Consortium initially defined **80 activities** – 10 for each one of the **8 dimensions** of the SNS.

#### **Example - Attracting and retaining talent**

The SNS best practices have been converted into the following activities:

- 1. Offer competitive salaries and benefits
- 2. Provide opportunities for professional development
- 3. Create a positive work culture
- 4. Offer flexible work arrangements
- 5. Provide a clear career path
- 6. Flexible work schedules
- 7. Casual dress codes
- 8. Career development programs
- 9. Employee appreciation
- 10. Sustainability

# CLUSTERING PRIORITIZING THE ACTIVITIES



#### REGIONAL STEERING GROUP

HIGH LEVEL PROFESSIONALS

POLICY EXPERTS

13 COUNTRIES and regions

Plenty of years of experience in the field

RDAs, Regional government, Innovation Centres, DIH, CEOs E.g., Belgium, Croatia, Germany, Italy, Malta Lithuania, Romania, Spain + Switzerland

# DEVELOPING THE PLAN



#### **Common Action Plan structure**

The structure of the Common Action Plan aims to answer **five key dimensions**:

**Action - what?** 

Objective - why?

Stakeholders: who?

Policy Milestone - how?

Timeframe: when?

# 10 ACTIONS FINALLY IDENTIFIED AND DEVELOPED

#### **Fast start-up creation**

1. Establish a solid foundation by developing a robust go-to-market strategy and a product creation plan.

#### **Talent attraction**

- 2. Provide opportunities for professional development
- 3. Create a positive and diverse work culture
- 4. Use stock options to reward employees for their hard work and commitment

#### Innovation in regulation

- 5. Work with regulators to create policies that support innovation and entrepreneurship
- 6. Participate in industry associations to establish a dialogue with policy
- 7. Creating regulatory sandboxes to test new products and services

#### **Innovation in procurement**

8. Partner with ambitious public or private buyers within and outside Europe

#### **Access to finance**

9. Raise funds through venture capital, angel investors, crowdfunding, EU funding.

#### **Digitalisation**

10. Embrace digital technologies to improve efficiency, reduce costs, and enhance customer experience.

#### **Action Plan example 1 - Fast startup creation**

Action	Objective	Stakeholder	Policy milestone	Timeframe
	product/service.	Startups Business Support Organisations Policymakers	Promote <b>Erasmus for young entrepreneurs</b> as a tool to work with experienced entrepreneurs, funding managers/talent acquisition professionals to better understand the process of start-up creation.	M
	to better reach them.  Prioritize investments from the early stage.		Design training programs based on an EU common methodology to support startups in the definition of: 1.Minimum Viable Product (MVP) and market understanding 2. Investment strategy 3.Talent acquisition strategy	S

#### Action Plan example 2 - Attracting and retaining talent

Action		Objective	Stakeholder	Policy milestone	Timeframe
Provide opportunities professional development (qualitative		Create a "package of benefits" that will include both qualitative and quantitative ones that employees can		Establishment and scale-up of talent attracting frameworks. Talent attracting and retaining programs at different levels of governance	M
quantitative)	allu	choose from.  Employees will collaborate with startups and regional/national entities to communicate what represents added value to them in relation talent retention		Establishment of friendly-use and applicable set of real-life training, and activities for stakeholders and start-ups.	S

#### Thanks for your attention!

**Questions?** 





PANEL SESSION: start-up challenges and opportunities in European regions



