

SMART EUROPE Café Veneto

METHODOLOGY:

- A preliminary meeting (Veneto Region + Veneto Innovazione) needed to decide which topics are more in line with the chosen focus¹.
- Institutions and key stakeholders active in the field selected and invited to participate (incubators, intermediaries, public administrators, services providers).
- Multidisciplinary and horizontal approach is pursued (private and public representatives);
- 3 parallel round tables organised in parallel:
 - FINANCIAL INSTRUMENTS
 - o ENTREPRENEURSHIP CULTURE
 - ACCESS TO MARKETS
- 3 facilitators and 3 rapporteur in charge of the discussion animation of each topic
- Everybody is free to intervene and to debate its own experience but facilitators rule the discussion around the focus and make sure that all the participants bring their contribution to the table (we followed the methodology of the World Cafè²)
- Set the CONTEXT JOSEPH CONTEXT STATE THE THREE THREE CONTEXT STATE OF THE THREE CONTEXT STATE OF THE THREE CONTEXT OF THREE CON
- 30 minutes discussion per topic and then the facilitator moves to another table
- 15 minutes for warm up and 15 minutes for follow up at the end

² http://www.theworldcafe.com/





¹ Our SMART focus is: how to boost the creation of new innovative companies.



STAKEHOLDERS INVOLVED:

Veneto Region – Industry and Craft Directorate: it manages the Industrial development policies of the region supporting the productive sector through European, National, Regional aids (in particular for SMEs); including the schemes for innovative SMEs and for young and female entrepreneurs.
 www.regione.veneto.it/La+Regione/Struttura+Organizzativa/Segr.+Regionale+per+il+Bilancio/Commissario+Sviluppo+Economico/Direzione+industria+e+artigianato.htm



- Veneto Region Employment Directorate: it is in charge of employment policies, outplacement interventions, training, ESF management.
 www.regione.veneto.it/Servizi+alla+Persona/Formazione+e+Lavoro/Lavoro/
- Veneto Innovazione: the Veneto regional innovation agency and its aim is to promote and develop applied research and innovation within the regional production system. www.venetoinnovazione.it/?q=eng
- Veneto Sviluppo: the Veneto regional financial agency. It manages funds and measures to support SMEs of all the productive sectors. http://www.venetosviluppo.it/portal/portal/vs/Home
- Veneto Lavoro: the regional agency for the employment of the Veneto Region. It is active in advising the Region on the labour policies and monitoring the labour market through the Observatory of the Labour Market and the Regional Labour Market Information System (RLMIS). www.venetolavoro.it
- PST Galileo: is the science park of the Padua province. Galileo activities aim to boost the companies competitiveness reinforcing the links among business and universities. www.galileopark.it/en.html
- La Fornace dell'Innovazione: it is a business incubator located in Asolo (Treviso). Its mission is to encourage the setting up of new innovative companies. www.fondazionefornace.org/en_default.asp
- H-Farm: it is a venture Incubator located in Treviso and its mission is to accelerate the development of hi-tech start-ups via a combination of seed investment and incubation services. www.h-farmventures.com/en/
- Municipality of Venice-Productive activities sector: it manages several services for city, taking care of the
 development of the municipal area and boosting the creation of new entrepreneurial activities. The
 Municipality moreover manages the two business incubators of Venice.
 www.comune.venezia.it/flex/cm/pages/ServeBLOB.php/L/EN/IDPagina/1?4f915e77c28cc
- Treviso Tecnologia: it is the agency for Technological Innovation established by the Chamber of Commerce of Treviso. It aims is to foster an innovation-oriented corporate culture and in this frame it has set up Neroluce (the Service Centre in support of creativity and industrial design) at the La Fornace di Asolo incubator premises. www.tvtecnologia.it/index_eng.asp
- M31: company which core business is supporting the creation and rapid growth of new technology ventures focused mainly on the ICTs. www.m31.com

TOPICS DEEPENED:





FINANCIAL INSTRUMENTS *Available private and public financial Which funds (private and public) are tools, targeted for young innovative available? companies. *Services can contribute to attract investors. What type of problems do you find in How can be boosted the role approaching young people to business of private investors? and what are the tools that can **INNOVATIVE** mitigate these problems? START UP Is there a role for the public **ENTREPRENEURSHIP** in boosting the development CULTURE of innovative companies? *Actions to raise the interest of wannabe entrepreneurs *Initiatives to boost the valorisation of **NEW MARKETS** added value knowledge *The main steps to approach new markets. *Initiatives to boost visibility and Which is the best target group in order support brand positioning. to support and boost the innovation and entrepreneurial culture? Which are the services more useful to support young companies expansion phase?





ENTREPRENEURIAL CULTURE:

FROM THE DATA there is evidence that:

- The overall number of young enterprises decreased in the last years because of the crisis, but it is still performing considering the national average.
- The percentage of young firms compared to the whole number of companies registered in the Venetian provinces is definitely lower than the national average.

▶BUT

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system do not stimulate yet entrepreneurial attitude

- The University does not often offer concrete basics on how to start a business.
- Targeted courses should be included in all the students curricula
- There is a gap between scholastic/didactic subjects and competences required by the companies.
 - To stimulate young people entrepreneurial mindset, specific courses should start from high school (first information on what to do to start a business)
- The students interest in technical culture has had a significant decline. A good information campaign synergistically shared on the territory could be a useful tool to boost the young people's interest in these expertise.

- The University offers courses on project management. They are also open, free and voluntary, for PhD students.
- See: Interreg Central Europe project ETSTRUCT (www.etstruct.eu) that aims to improve the connection of the educational system to the leading edge of technology and business practices.
- "Start Cup Young" an initiative addressed high school students actually working in Friuli Venezia Giulia

Some GOOD
PRACTICEs exist





BUSINESS PLAN competitions are a good tool

 The business plan competition Start Cup, offers the applicants (around 100 per year) a training course on how to create a business plan and on project management, giving the basic tools to start a sustainable business.

EVEN THOUGH Concerning BUSINESS PLAN...

- The current credit system does not valorise a system based on the quality of business plans.
- evaluators do not have the necessary expertise to evaluate the business plans with a long term view.
 They should be trained in order to identify innovative, sustainable and successful ideas. Even if an idea is eligible does not mean that it is fruitful in the long term.

Some PUBLIC
INITIATIVES are BUT
available

- Taking into account that the budget available in the region to finance new companies is limited, the public authorities have to define clear sectors and areas that they want to support and make them grow. There is the need of a clear regional strategy visible in the call focus.
- The calls for proposals' descriptions are not so clear. Through the call it should be clear what will be funded and what are the priorities.
- When a call focus on innovation, it should be expressed clearly what innovation is or better what innovation is not.





A wannabe entrepreneur would NEED...

 Basically what the potential young entrepreneur are looking for are the market niches in which start a new business and in fact in the last period the spontaneous applications in innovative sectors are significantly increased. It is important matching who has ideas and who already gain experience. So the old entrepreneur, with capitals and experience, could understand the new entrepreneur business potentiality and invest on it. At the same time the new entrepreneur could find a capable support in terms of knowledge and capitals.

 The Incubators could represent a favourable place for this matching.

BUT

 To answers such requests on entrepreneurship, a contact point at institutional level is missing Support services are available

 Informagiovani: an infrastructure giving support and guidance for young people entering in the job market.

 For young entrepreneurs such intermediaries, and also municipalities, are the first reference point looking for support and information to grow up a new business. It is also important to valorise the intermediaries role (trade associations, incubators, professional order, CITT and chambers of commerce) in order to inform the aspirant entrepreneurs about guidelines, initiative and relevant actors that can support their starting businesses.

AND

But should be linked and reinforces

 This is the reason why these intermediaries have to work together in an integrated and synergistically way and to be well-informed and aware about the instruments and actors that can answer to the their needs.





The culture of INNOVATIVE ENTREPRENEURSHIP

THE CONDITION ARE FAVOURABLE?

WHAT ABOUT GENERATIONAL CHANGEOVER?

 The generational changeover is an opportunity, not to start a new business, but to make it continue with new ideas and methodologies. The weak point of this opportunity is essentially that the outgoing entrepreneur prefer to leave the company to a family member.

- In the past the Veneto Region boasted the birth of a large number of new businesses. These new companies were mainly founded by department heads that, thanks to their experience and expertise and to the favourable regional conditions, embarked on an entrepreneurial carrier.
- The analysis of the context in that years could help us to understand which are these favourable conditions and try to recreate them in the current scenario facilitating new start-ups.

 Entrepreneurs still utilize a traditional approach to grow up their business but this is becoming obsolete for the market and for the new innovative businesses concepts.

BUT

 There could be worth the organization of workshops / meetings during which potential entrepreneurs have the possibility to learn from the experiences of wellknown entrepreneurs stimulating the entrepreneurial mindsets of young people.





THE STIMULATION OF CREATIVITY See: Organza (Interreg IVC) that aims at improving policy-making in the field of creative industries AND

- the event "Festival Città Impresa" (www.festivaldellecittaimpresa.it) has the objective of empathizing and enhancing "ideas factories" that are already following new business paths and who represent the future of the area.
- During the Festival the 1000 winners of the prize "Premio Città Impresa" will be awarded
 for their experience in innovative products/services and for their commitment in
 supporting innovation. The prize has a symbolic value, without any economic or
 monetary compensation, but is an opportunity to show and share the regional
 experiences and to learn from each other.

USING THE REAL EXPERIENCE

• EU initiative Mini-companies. The objective of "mini-companies run by students" is that of developing on a small scale a real economic activity, or of simulating in a realistic way the real firms operations. In this way the entrepreneurial mindsets of young people will be stimulated linking the theoretical concepts with the practical activities. http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/education-training-entrepreneurship/mini-companies/index_en.htm



• A relevant example coming from abroad is the Deshpande Center, established at the MIT School of Engineering to increase the impact of MIT technologies in the marketplace. Deshpande Center funding enables faculty and their students to pursue exciting new avenues of market-driven research and participate in partnerships and programs that will help accelerate the process towards commercialization. The center offers two types of financing. One focus on turning ideas into inventions and the second one on transforming these inventions into sellable innovations.

(http://web.mit.edu/deshpandecenter/).





HOW CAN BE DONE:

 Voucher or flexible contract to facilitate the keen students access to a working experience in activities related to their studies. Some difficulties related to the contract type incurred, a proposed solution is a stage focussed on specific activities with scholarship;

extracurricular work activities in the summer or during the evening hours in the field of
interest. Several students already work as waiters or similar jobs and this could be a valuable
alternative to build up also their expertise and entrepreneurial mindsets;

• the realization of training sessions at University to show the experiences of successful entrepreneurs and introduce students to the practical environment of a company.

BUT

• It was launched an initiative aimed at PhD students of Computer Engineering that offered a contribution of 20.000 euros to start the best business ideas. Unfortunately only a few PhD responded to this opportunity, and, maybe, this is related to low interest in starting a business..





OPEN UP NEW MARKETS FOR INNOVATIVE COMPANIES

FROM THE COPENHAGEN DECLARATION (27 April 2012- TII/Proton Europe Annual Conference:

- For an innovative SME, finding a first client remains a critical milestone to success
- Member States, regional and local authorities are invited to consider the wider use of support to first client schemes with the objective of promoting smart growth based on the creativity and innovation potential of regional SMEs and innovative start-ups.

The position of an INNOVATIVE and YOUNG company

 New companies should first redefine new markets The local market is not enough. Innovative companies should look oversee: open a branch in USA!

 Focus more on marketing than on innovation at the early stage A branch in USA gives credibility to an innovative company

 Planning a positioning strategy and build a credible brand should be one of the first steps start ups New innovative companies strive to establish a client base because they have not yet build their reputation and because the innovativeness of their products takes time to be understood and appreciated

 New innovative companies, by definition, should have a international business horizon

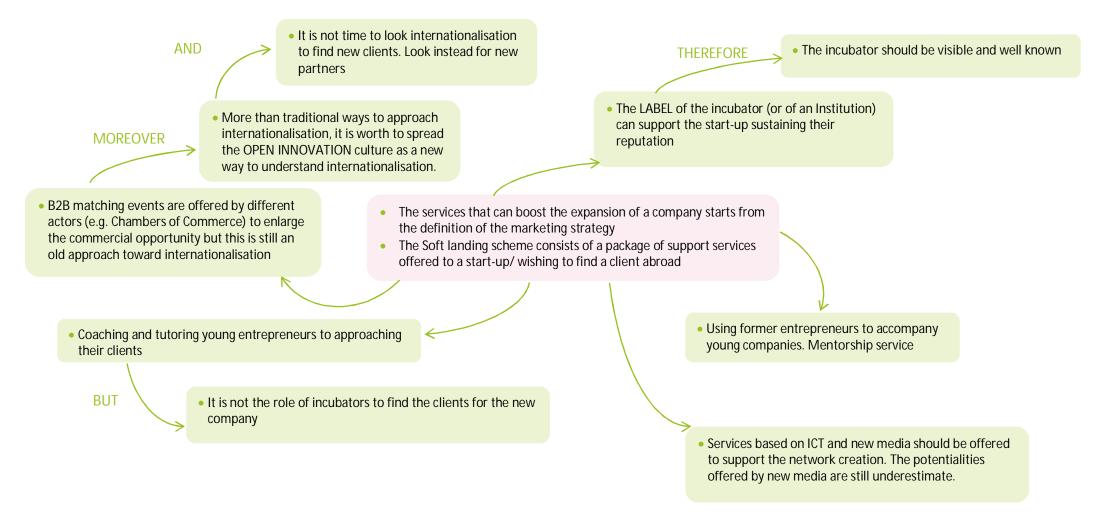
> Networking is the way that should be pursuit: a young company has to link with other companies in order to exploit contacts and competences and access new markets

 An innovative company is a company which has already found and explored its own prospect market. First the market then the ideas.





THE SUPPORTING SERVICES







The PUBLIC can do or cannot do

 There are skilled and unused resources (such as unemployed managers and educated young people) who can be a valuable resource. The public should exploit new initiatives to involve this valuable workforce in conjunction with the topic of new entrepreneurships • The public should act as catalyst of initiatives and opportunities

 Financial instruments have to be developed to sustain the internationalisation of innovative start-ups

• The search for clients has to remain the primary responsibility of the companies.

 Nevertheless, public authorities can support demonstrator schemes which give evidence that innovative products/ services/solutions are working in real operating conditions.

 It is also obvious that those measures have to be developed in addition to the existing support services in the field of innovation management and user-centred innovation. The intermediaries that can support young companies in this process are too fragmented.
 A coherent strategy driven by the Region and cooperation among the actors would be needed.

What not publish a Call for IDEAS?

• The Public should not intervene since the is the responsibility of entrepreneurs even if young to find their ways...

 The role of the public is to increase the attractiveness of the Region (from the business point of view) and foster the investors attractions.

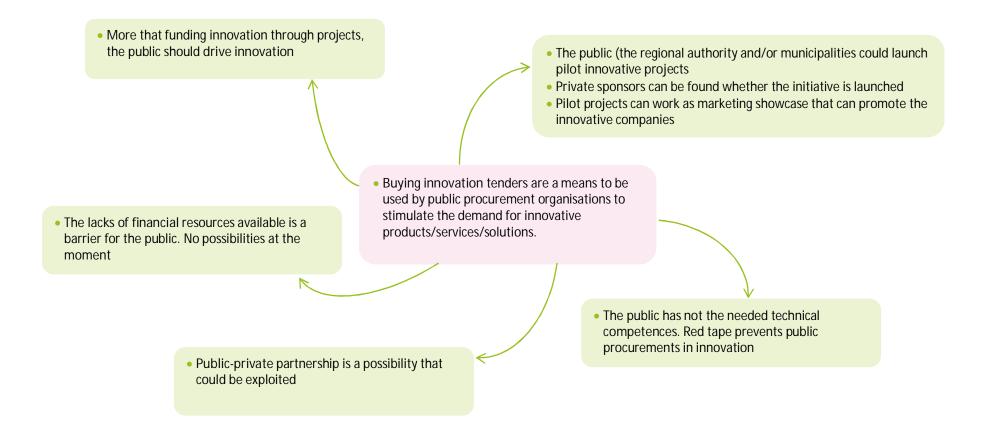
• Promotion of the business identity of the territory.

 It could be worth to organise "public innovation showcases" such as dedicated space in fairs, road shows, exhibitions with the aim to promote innovative companies and products





PUBLIC PROCUREMENT







FINANCIAL INSTRUMENTS FOR INNOVATIVE YOUNG COMPANIES

THE STATE OF ART

INVESTORS SAY THAT:

- It takes money to make money" applies to start-up and early stage enterprises as much and more than to other businesses—large or small.
- From "day one" start-up and early-stage entrepreneurs risk falling into "the valley of death" if they do not secure adequate funds to cover negative net cash flow in their early months and years of new business creation and growth.
- The credit system is not keen to invest in young companies
- Young companies do not offer any guarantee
- The venture capital system is lacking in Italy
- The American venture capital model is too aggressive for our context
- The regional Business Angels Network (http://www.banveneto.com/) tries to connect investors and hi-tech companies
 - Regional incubators support their tenants in contacting business angels or networks of business angels (see for instance http://www.italianangels.net/

 The Veneto Region public support schemes funding innovation are available also for innovative start up

- The financial support for start ups should be driven mainly by private investors
- Nonetheless public initiatives should intervene in case there is a bottleneck in the system
 - M31 is an innovative experience of a private incubator whose mission is supporting research based projects to become ho-tech start ups.

See also or good practice in the SMART EUROPE catalogue

 M31 has also used the Veneto Region seed fund The Veneto Region has launched a public seed fund managed by Veneto Sviluppo, the regional financial agency.
 See also or good practice in the SMART EUROPE catalogue

> The public funds devoted to young entrepreneurship are not enough

 The Confindustria Young Entrepreneurs Division is now launching specific initiatives to sustain start ups





WHAT ABOUT THE PUBLIC SUPPORT?

 Public support for innovation should be directed only to start ups. For mature companies instead of incentives it is better to boost the tax credit system

> The public calls are not enough flexible for a start up

 The voucher system would offer a better solution for start up since the time length is 3-6 months

> The timing of public support is not in line with the start up needs

 It has to be decided whether investing in new companies potentially very innovative or in new companies more traditional but with higher job creation potentialities

 Setting up public support measures specific for innovative start ups is not an easy task

 The strategic decision should take into account several perspectives

 Sometimes the red tape prevents the use by start ups

 Especially for some areas (e.g. Venice) it should be encouraged the reconversion from manufacture to service sector. AND

 It is to be understood whether the financial instruments should be focused on young entrepreneurs setting up new companies or to experienced managers expanding their companies or setting up spinoffs

 New incentives for innovative start ups should be clearly linked to job creation

> Public support dedicated more broadly to support innovation, is deeply taking into account the job creation issue

 Both in the Regional Law for innovation and in the ROP are specific schemes which foresee a rewarding mechanism for companies hiring a researcher

FOR INSTANCE





SOME PROPOSALS

FOR INSTANCE

 A "selections system" might prevent the fragmentation of the scarce available resources for start ups.

 The relevant stakeholders (e.g. Veneto Sviluppo, BAN Veneto, individual business angels) should be promoted since there is a critical lack of information from the companies side

 The institutions supporting start ups should increase their networking There are analytical models available to understand by the first seven months whether a company will be successful or not.

 Reinforcing the network of supporting stakeholdes, ad hoc public measures, increasing the attractiveness of our start ups are some of the possibilities to be discussed

> It could be imagined a financial instrument which follows the whole company cycle: from the seed capital operations to the roll-out

 Support the Business Angels! Their presence in the region is strategic for innovative start ups

 Boost the creation of start ups incubators able to sustain the young companies for the first 3 years

 There is the high need to promote the integration of the ESF and ERDF for actions directed to young entrepreneurs

 There should be launched initiatives with the aim to attract investors from abroad



