

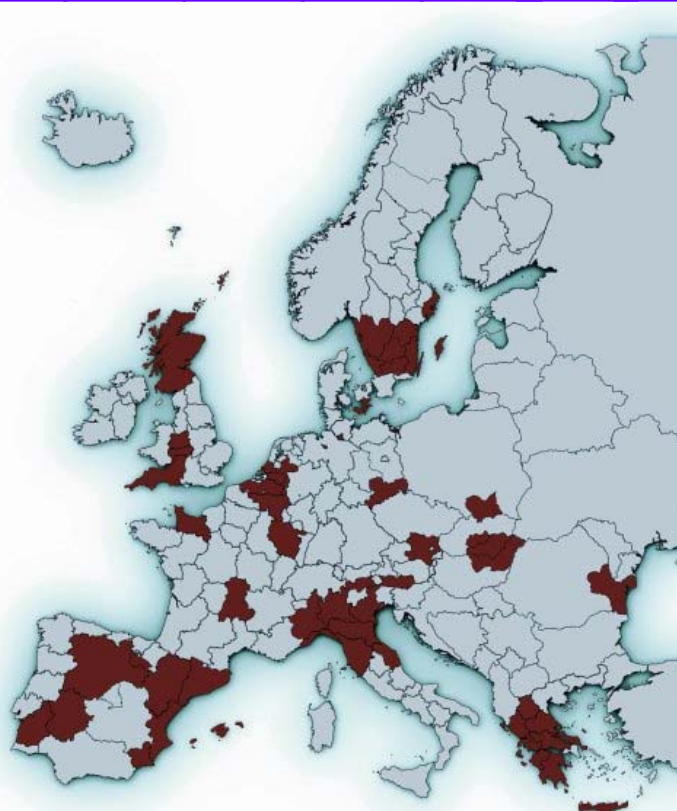


Thematic Working Group – Support for Start-Ups and Spin-Offs:

Lessons Learned and Policy Recommendations

Irma Priedl, Amt der NÖ
Landesregierung,
Hans-Christian Jäger, IDEUM
(TWG coordinators)

ERIK Network Conference
Brussels, 10th May 2007



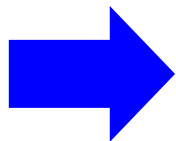
Lessons Learned and Policy Recommendations for every step of the ERIK start-up model



With differentiation – if necessary – between

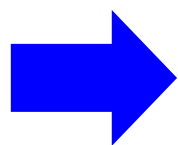
- innovation oriented start-ups/spin-offs in general and
- new technology based firms (NTBF) / research based start-ups (RBSU)

- Awareness raising as crucial measures to increase entrepreneurial culture
 - the earlier the better at schools and universities
 - establish a positive entrepreneurial climate
 - avoid social stigmatisation in case of failure
- Entrepreneurship as inherent part of technology related courses: practical exercises instead of theoretical lessons
- Clear target objectives with public R&D organisations and Higher Education Institutions regarding fostering entrepreneurship and start-ups
- Promotion of innovation oriented start-ups/spin-offs with
 - own PR budget
 - formal media partnerships



**Innovative start-ups create an
innovation friendly milieu**

- Assure attention of service providers for time frame from the new business ideas to application
- For innovative start-ups:
 - Broad network with several local contact points in the region
 - to avoid additional effort for travelling
 - To activate the human resources in the (sub) region
- For new technology based firms (NTBF) and research based start-ups (RBSU):
 - Central regional counselling point with appropriate qualification
 - Support/finance from one source facilitates the first proof of concept
- Personality of entrepreneur and his/her “hunger to grow” are important success factors



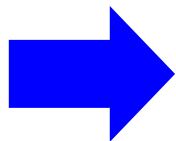
**First proof of concept is starting shot
for the core foundation process**

Innovative oriented start-ups/spin-offs:

- Involvement of the local administration for local business development
- Attract local bank already in the pre-seed stage as documentation of “local commitment”

NTBFs / RBSUs:

- Business Plan as holistic approach
 - Financial and market figures
 - Linking technology – management - networks
- Coaching is essential
- Revolving funds with convertible loans instead of grants assure the commitment of funds managers and future entrepreneurs



**Closing the gap in pre-seed financing:
attract private pre-seed capital by
initiation of substantial regional public funds**

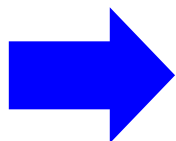
- Integrated support services for pre-seed and seed:
professional advisory services & physical infrastructure & finance

Innovative oriented start-ups/spin-offs:

- Infrastructure: reasonable offices and production facilities with basic services
- Financing:
 - Involvement of local banks with micro loans with low interest rates
 - Assumption of liabilities by the region in single case

NTBFs / RBSUs:

- Proximity of young start-ups to RTO/HEI
- Overcoming market failure due to high risk of RBSUs/NTBFs:
 - Often seed capital amount up to 250.000€ sufficient with high flexibility
 - High flexibility of such seed capital required



**Provide for comprehensive services
and training actions**

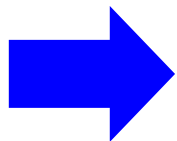
- Build up in-house skills
- Image building as an important marketing support

Innovative oriented start-ups/spin-offs:

- Further coaching as part of general local business development

NTBFs / RBSUs:

- Continuous external mentoring with search for follow-up financing
- Develop strategies for growth:
 - Increasing demand for infrastructure, financial resources
 - Internationalisation
 - Integration of private consultants etc.



Provide exit strategy for public support

Coordination & monitoring of services according regional start-up strategy

- Develop a regional start-up strategy
 - covering the whole start-up supply chain
 - Avoiding competition among (semi) public service providers by clear definition of key competencies and tasks
 - NTBF/RBSU: clear focus
- Provide for adequate initial risk assessment when defining regional start-up support programmes
- Assure strategic coordination of regional start-up/spin-off support
 - Neutral institution with direct business contacts
 - Communication platform with integration of all relevant actors
- Step-by-step implementation of the complete start-up supply chain by
 - Testing of new support ideas (like within RPIA)
 - Verify additional benefit of new ideas and performed pilot actions
 - Decide about mainstream of pilot actions (including improvement)

mid and long-term impact





Thank you for your attention !

**Amt der NÖ Landesregierung
Abteilung Wirtschaft, Technologie und Tourismus
3109 St. Pölten, Landhausplatz 1**

**+43 2742 9005 16101
Post.wst3-w@noel.gv.at**

**For more information see:
www.eriknetwork.net**

