

Policy recommendations for fostering entrepreneurship



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Entrepreneurship: Regional acceleration for Smart, Sustainable & Inclusive growth

Entrepreneurs are not just a driving force for economic growth and job creation; they can also contribute to solving social issues, such as a low employment rate or the exclusion of certain groups. However, an integrated, long-term regional entrepreneurship policy is a prerequisite for this. 9 interregional cooperation projects and 300 good practices have been analysed in order to document and exploit the valuable lessons learned on entrepreneurship policy.

Enterprises in different stages of their development have different support needs. The following set of policy recommendations for business development, illustrated by INTERREG IVC good practice examples, is a source of inspiration for policymakers and entrepreneurs.

The following sections briefly describe the different categories of support tools that can help entrepreneurs tackle barriers they encounter in the process of starting and developing a company to maturity.

Support	Access to know-how			Access to facilities	Access to finance
	Education & training	Mentoring & coaching	Technological knowledge		

Astrid Severin, Gosse Hiemstra, Arjan de Bruin and Marloes Sikkema were contracted by the INTERREG IVC programme to analyse, benchmark and capitalise on the wealth of knowledge generated by cooperation projects in the field of entrepreneurship. These policy recommendations are the result of a two-year analysis, providing targeted actions for those involved in this policy field.

1.

Access to know-how

Education and training

A lack of entrepreneurial culture is repeatedly cited as a barrier to business generation in Europe so **entrepreneurship education is key in awakening the entrepreneurial spirit in Europe.** Teachers are a crucial element in providing intensive but qualitative experiences.

→ In the “Summer Entrepreneur” initiative (*MiniEUROPE* project), young people (14-20 years) are given the opportunity to build up their own businesses in the summer vacation period. Participants develop a variety of skills

and attitudes that will be useful when starting an enterprise later in their careers.

“Teacher Training” prepares teachers for the Innocamp initiative, which is an educational entrepreneurship challenge for school-age pupils (*ENSPIRE EU*).

Mentoring and coaching

Social entrepreneurship is a relatively new term in business. The development of social enterprises creates an opportunity to empower certain groups, such as the unemployed, disadvantaged or minorities, to fight social exclusion. Supporting them is a way for regional authorities to make a contribution to their region’s objectives concerning inclusive growth.

Mentoring and coaching are especially valuable for social entrepreneurs to build the necessary self-confidence and autonomy of action. This enables them to start (or participate in) a business for their own account and risk.

→ An illustrative example is “fairKauf” from Hannover, Germany (*MESSE* project). This is a social second-hand store where donated used goods are selected and sold by previously unemployed people. Young people, the long-term unemployed and people with handicaps or limitations are qualified, prepared and trained to get a job in the labour market. “fairKauf” does not make use of any public funding; all costs are covered by its own revenues, which makes it a new, more attractive alternative to charity.

Technical knowledge

Next to entrepreneurship know-how, **high tech start-ups need access to technological knowledge** as well. For instance, high-tech start-ups benefit from contact with research staff and doctoral students and the use of RTD and testing facilities.

→ The “Cluster Support Environment Mode” (North West England, *MINI EUROPE* project) is a business support model that provides incubation for starting firms and includes Business Technology Centres (BTC). The BTCs offer pilot plants, demonstrators, specialised equipment and knowledge.

2.

Access to facilities

Supporting high tech start-ups is a way for regional policymakers to implement their smart specialisation strategies, for instance through incubators with services specific to a certain technology cluster.

In order to improve a former mining area, the “CleanTech Campus” (Houthalen-Helchteren, Belgium, *PROSPECTS* project) provides services especially for businesses involved in clean mobility, renewable energy and clean production processes.

However, **facilities are more than just buildings**; they also include the systems that are needed to deliver support services.

→ For example, in Jönköping (Sweden, *ENTREDI* project), a network of support points makes support accessible for entrepreneurs in small towns and rural areas.

The “Web Portal for Entrepreneurs” from the Granada region (Spain, *IMAGEEN* project) offers the full range of support services for entrepreneurs in one place. The model has encouraged municipalities to collaborate, thus reducing duplication and recognising that businesses often transcend administrative boundaries.

3.

Access to finance

Access to finance – whether in form of loans, seed funding, microfinance facilities, angel type investment or other equity funding, grants or guarantees – is particularly difficult in the current context of public sector austerity and limited liquidity. This is especially true for social entrepreneurs, who have a difficult time accessing private finance.

A key success factor of entrepreneurship support in the form of funding is to make it part of an integrated package of support measures including advice, guidance and training.

→ This is the case for an interesting initiative from the Malopolska region in Poland (*PASE* project) that offers financing to unemployed people to help them to set up a social enterprise.

The Munich Business Plan Competition from the *IMAGEEN* project has three stages: business concept, market strategy, full business plan, that finally lead to a selection of three winners, but the access to finance element forms part of a much wider support package.

Regional authorities can effectively use public funds to provide companies with access to finance. For example, a **guarantee system has a higher return on investment** in the long run in comparison to traditional grants. By giving out guarantees, regional authorities enable private funds to be accessible for start-up entrepreneurs.

→ An example is the Veneto region in Italy (*MiniEUROPE* project), whose guarantee system provides innovative, young SMEs and high-tech start-ups with access to finance offered by private investors and venture capitalists.

“3en Venture Capital Fund” (*ENTREDI* project) provides early investment support for high tech businesses within the Borough of Basingstoke and Deane in UK. This is the only venture capital fund set up in a local authority through developer contribution and the only local authority venture capital fund in the UK.

4.

General recommendations for policymakers

A long-term, shared entrepreneurship strategy should be the basis for making and justifying decisions on how to support a region’s entrepreneurs, which is especially important in case of limited resources.

Develop tailor-made support tools for separate segments of entrepreneurs to really help them tackle their own barriers.

Align the resources and the support tools in one regional strategy to set a basis for a more user-friendly support infrastructure for all kinds of businesses in every stage of their life-cycle.

Keep in mind that **there is a limit to a regional authority’s influence to develop an entrepreneurial ecosystem**, even if there are ways for policymakers to positively stimulate its emergence.

Learn more, do more...

The complete analysis report provides further information on the projects analysis and selected good practices. Tailored-made recommendations can also be found for every stage in the process of starting and developing a business and for policy makers who want to make a difference in their region.

This publication is one of a series of twelve thematic policy recommendations. For more information and downloads, visit: www.interreg4c.eu/capitalisation

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