

# Report on How the European Commission can Support Web Entrepreneurship in Europe

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Based on the inputs from the open consultation organized by the European Commission in November-December 2012 in relation to Horizon2020.

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Editorial closing date: 31 January 2013

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# 1 Executive summary

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The European Commission has received over 120 inputs from members of the web entrepreneur ecosystem, including web entrepreneurs, investors, advisors, accelerators, coworking spaces, professors, consultants, researchers & journalists. The responses varied based on personal experience, and touched on the weaknesses in Europe in the various stages of the tech startup lifecycle, from company creation to raising funds to hiring/firing to international expansion. Tech startups asked for financial help from the European Commission in order to build the world's next leading web & tech companies.

## 1.1 13 Concrete Innovation Actions

1. **Crowd-funding:** providing grants to projects submitted for crowdfunding as a percentage on to the project winners (~20%) and to crowd-funding platforms in order to build a pan-European crowdfunding platform.
2. **Dispel Fear of Failure:** funding a marketing campaign which will encourage current employees and students to start their own business: "Bring the American Dream back to where it originated: Europe."
3. **Web Entrepreneurship in Education:** Provide grants to universities and business schools which offer 'action' courses teaching about web entrepreneurship.
4. **European Tech Tours:** Funding initiatives to bring European tech startups to the Silicon Valley to meet potential clients, investors, and partners.
5. **Events Highlighting European Tech Startups:** funding initiatives which attract global web entrepreneurs, investors, executives and journalists to European hubs, such as incubators or accelerators in major European cities, to provide European tech startups with global visibility.
6. **Increasing value in existing local events:** Identify local events which attract tech startups, such as pitch camps, and provide prizes to competitions, such as tickets to bigger European events, to incentivize local events to bring out the best tech startups.
7. **Provide European Tech Startups access to existing Events:** Funding tech startups to attend private/top-level networking events, in order to get exposure in front of high-level decision makers in the tech industry.
8. **Increase cohesion between researchers & potential web entrepreneurial students:** Funding universities which create joint-curriculum courses to allow marketing students to work with research students in order to turn research into a product and take it to market.
9. **Enable Local Accelerators:** Provide supporting grants which allow accelerators to invest more in each tech startup, as well as potentially to provide follow-on rounds to tech startups, should they go on to raise additional rounds of funding.
10. **Grants for Venture Capital Funds:** Providing Grants to Venture Capital Funds to complement their investments, in order to allow them to provide more funding to European tech startups.
11. **Turn Local Leaders into Global Leaders:** Providing competitive calls for companies to launch pilot projects to take their business to new markets outside of Europe.
12. **Online Platforms for connecting:** Funding the creation, expansion, or availability of online platforms for connecting the tech startup ecosystem to scale up.

**13. Technical platforms for scaling up:** Funding the creation, expansion, or availability of online platforms designed to help tech startups scale up their technical infrastructure.

In addition to these concrete actions, there is also a clear need for policy change to be affected across Europe. The hope is that, through these concrete actions, the European Commission will set precedent across Member States for how pro-tech startup actions in government can support the growth of these high-growth tech companies, and how that can positively affect all of Europe. Many responders called for better banking regulation for tech startups, and even to have a different tax status for tech startups, exonerating them from many of the burdensome things that larger, more stable companies deal with, like paying taxes on revenue, employees, and even shares owned in said company.

Today, European web entrepreneurs are struggling to fight to create European companies – the European Commission has the opportunity to make that fight easier, and to help web entrepreneurs create the next generation of web, technology, and innovation-oriented companies.

## 2 Introduction

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The European Commission has demanded a consultation on how the Horizon 2020 innovation and financial aspects impact Web Entrepreneurs. In order to best serve the web entrepreneur ecosystem, the European Commission has invited all members of the community to submit their suggestions, sending out the following invitation:

*With a budget of around €80 billion, the EU's new programme for research and innovation, Horizon 2020 (2014- 2020) is part of the drive to create new growth and jobs in Europe. It will place a particular focus on innovation, relying on a number of specific financial instruments.*

*In the context of the current process of identifying the most appropriate activities to be carried out in the web entrepreneurs domain, we are inviting you to share **ideas on any actions in the area of ICT innovation for the benefit of web based entrepreneurship / web businesses**, which could be undertaken and **financed by the EU**. These could cover technological research, innovation issues, as well as business environment aspects.*

The invitation was responded to by more than 120 members of the web entrepreneur ecosystem, including web entrepreneurs, investors, advisors, accelerators, co-working spaces, professors, consultants, R&D coordinators, and journalists.

### 2.1 EU administration role in web entrepreneurship

To date, there is no example of a tech startup ecosystem that has been fully and properly nurtured by the public sector. However, there are a few examples of parts of the ecosystem being helped by the public sector – Ireland's notoriously low corporate tax, France's grant money towards R&D, London's work on making it easier for private tech companies to make an Initial Public Offering (IPO) on the London Stock Exchange – but what Europe lacks is harmonization between countries and their policies and methods of support.

When we refer to how the European Commission can support the tech & web startup ecosystem, there are two categories of help, which we will refer to as “Lowering Barriers” and “Building Roads.”

Lowering Barriers refers to removing all blockades that exist in the various phases of a tech startup's existence – legal barriers to creating companies, ease to bring on or let go of new employees, a tax system that encourages web entrepreneurship and investment as a financially interesting endeavor, ease to globalization, etc. These ‘barriers’ are blocking otherwise successful tech startups from achieving their full potential. Many of the member states have streamlined certain parts of the process, and adopting successful practices across Europe may be the key to a harmonized ecosystem.

Building Roads refers to creating avenues in the ecosystem that don't exist now – in general, filling in funding gaps, as well as filling in needs that aren't necessarily intended to make money, and thus cannot be covered by the private sector.

We will look later at a typical European tech startup, and how it navigates the ecosystem throughout its lifecycle & challenges, but let's look at some of the suggestions offered by Europe's web entrepreneur's first, and how they can assist in the growth of the European tech startup ecosystem.

## 3 Lowering Barriers

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### 3.1 Subsidized taxes for the first 5 years after company creation

*The idea of removing taxes on tech startups which are not currently profitable or who are still young and projecting high growth was evoked throughout the responses. Davy Kestens of Twitspark, Hugo Pereira of D-Sight, Fortis Antonopoulos, founder of TaxiBeat (a Greek tech startup operating across Europe), and many others.*

One of the most mentioned issues is that tech startups are being taxed the same way a medium-sized company or small restaurant would be taxed, which just doesn't comply with their high-growth potential. By providing grants strictly to offset taxes will allow them to grow flexibly, and will be of greater benefit to Member States, as there will be more fluid growth and thus more large companies, who will outgrow their tech startup tax status, and will be more incentivized to give back to the ecosystem responsible for their growth.

The grant of this type should require that companies be working in a technically innovative sector, and EC-supported accelerators & VC funds (discussed later) could be an indicator/fast track for tech startups to getting this status. It would open up several doors to tech startups which are currently difficult, because tech startups are treated as companies, and not as groups of individuals.

The ultimate goal is to show that by eliminating taxes for tech startups in the beginning, tech startups can grow more quickly, and the return is greater in the long-run.

### 3.2 Crowd-funding

*Support of crowdfunding has been one of the most popular initiatives suggested by responders, including suggestions by Enric Senabre Hidalgo of Goteo.org, a non-profit Crowdfunding site, Nagore de los Ríos, a member of the Basque Government charged with innovation, Martin Lozano, Ronald Kleverlaan, and others involved in the crowdfunding sector. The idea was also supported by Mike Butcher, a technology writer for TechCrunch, a top publication on tech startups and the web.*

Several initiatives exist in various member state countries – Seedrs in the UK, KissKissBankBank in France, etc. – however, the power of the US platform, Kickstarter, has been that anyone in the US or abroad has been able to support these projects. The European Commission has been asked by several people to support private crowd-funding platforms who seek to create a pan-European platform, so that projects from every member state can receive funding from anyone in any member state.

A part of this need is legislative – mandating a unified system for supporting crowd-funding is still necessary – however some have also called for financially supporting these crowdfunding platforms, by adding a certain percentage on top of successfully crowdfunded projects (a project must reach its pre-determined goal (e.g: 50,000€) by a pre-fixed deadline in order to receive the money – if it manages to raise just 49,990€ by the deadline, the project does not receive any funding.

### **Innovation Action 1**

*According to their official status, Kickstarter projects have raised \$467million to date with a success rate of roughly 43%. Of those that fail, most receive between 1-20% of the amount requested, so it stands to reason that the best way to support these projects is to add a fixed percent on to select project winners, say 20% extra funding to projects that successfully raise. This would mean that projects could request lower amounts of money from the public and still receive what they need, or it could enable them to deliver things at less cost to those who pre-order. Given the figures from Kickstarter, this would require **a budget of roughly €25 Million in the first year**, and would grow each year as crowdfunding became more available and acceptable in Europe. It would also stand to reason that there should be a limit to how much the EC offers, say 150 Million € per year (which would mean that private crowdfunders contributed 750 Million € on their own), and would imply that crowdfunding no longer needed the support, as it had grown to sustain itself.*

### **3.3 The Startup Visa**

*This idea was suggested in part by Ramon Suarez, cofounder of Betagroup Coworking Brussels, who touched on the need to “give money to tech startups that hire from across the borders to bring talent over” to Europe. This idea was also qualified by Davy Kestens, a 23 year old founder of Twitspark, based in Belgium. Mexican VC & Stanford alumnus David E. Weekly also evoked the need for cross-country cooperation for talent.*

In order to build globally successful companies, European tech startups need to be able to hire globally talented people, as well as be open to the idea that web entrepreneurs from countries with a less developed ecosystem may want to come to a member state to build their web companies. A EU-wide Startup Visa would change the way people view Europe as an ecosystem, and would put its infrastructure, talent and investors in the hands of talented people, who will create value within the Member States.

A Visa of this type has been proposed in the US, and subsequently been rejected by congress, and most recently Canada has announced a startup Visa. These types of Visa can have a caveat of having a strongly technical or web/entrepreneurial background, or perhaps a written commitment from an accredited fund to invest in this company, should they install in a Member State (as Member States will have more flexible and reliable tax structures for tech startups).

For existing companies, there should be a streamlined process by which they can higher global talent, with a no-cost Visa, subsidized by the European Commission. By lowering the barrier to higher great talent, it will not be a question of “but could this job be done by someone inside of the Member States?” but “who is the best person for this job?” Time is of the essence for tech startups, and when they find talent willing to relocate to a Member State to help that company grow, it is pertinent that tech startups can get them working as soon as

possible. Additionally, allowing global talent to relocate inside a Member State will make Europe a hotbed for global web talent, which will recycle back into the ecosystem.

Currently, the best way to support this problem is by subsidizing VISA costs for tech startups highering highly-educated talent.

### 3.4 Hiring/Firing More Easily

*The idea of hiring, equally evoked above by the aforementioned individuals, is also paired with firing easily. Removing the woes of firing employees has been suggested by Mexican VC David E. Weekly, Jukka Niemela of ISG, and others.*

Strict regulation around hiring & firing have made it difficult or risky for tech startups to bring on employees.

The European Commission could cover the collateral costs of firing/hiring employees, both by subsidizing the taxes paid on employees, as well as subsidizing the costs associated with firing an employee, so that tech startups do not have to be burdened with such an expensive fear.

### 3.5 Cultural

*The following ideas were proposed or alluded to by several responders, including Mahr Avila, EU Advisor on Innovation and Public Affairs.*

It is not enough to facilitate existing web entrepreneurs & tech startups, as Member States have a cultural aversion to risk, web entrepreneurship, and even to being an executive. In order to facilitate web entrepreneurship in Europe, the European commission has been asked to help dispel these aversions, and to promote entrepreneurship, specifically in the Internet sector, across Europe.

#### 3.5.1 Public Risk-aversion/Fear of Failure

The first group to appeal to would be the existing work force. The European Commission has an opportunity to bring the “American Dream” – the idea that anyone can build anything, if they put their mind to it – back to where the American Dream originally came from, Europe. After all, it was Europeans who left to the New World to seek greater opportunities.

#### **Innovation action 2**

*By funding a marketing campaign promoting the idea of leaving your company to start your own company, the European Commission can promote web entrepreneurship among the general work force.*

#### 3.5.2 Education about web entrepreneurship/tech startups

#### **Innovation action 3**

*By providing grants to universities which offer courses teaching about web entrepreneurship, the European Commission can permit more schools to encourage students to become web entrepreneurs across Europe. One such course is already being taught at Stanford University, and professors there are offering to bring that knowledge and experience outside of California, and thus could be a great opportunity for the European Commission to subsidize Stanford Web Entrepreneurship courses in European Universities.*

For students who have not yet entered the work force, educating them about what it does and does not mean to be an web entrepreneur – the risks and potential returns that are possible – will open up Europe to a whole new generation of web entrepreneurs. Creating an educational obligation for Member States to create web entrepreneurial courses, as well as educational styles that encourage team work, autonomy, and other qualities required of a web entrepreneur, will habituate students to the idea of being responsible for their own success, and will allow them to better assess whether web entrepreneurship is a path to be pursued.

Equally, responder Jasper Munier of the FFIT evokes the need for technical education to start as early as primary school. He also evokes the possibility of online education about web entrepreneurship being a pre-requisite to obtaining certain loans & grants from the EU.

## 4 Building Roads

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In the previous, we have seen proposals for ways to reduce the barriers to creating a company, raising funds, hiring employees, as well as creating web entrepreneurs. In addition to reducing barriers, the European Commission is in a great position to build new roads for web entrepreneurs. These roads will streamline the most difficult of paths for web entrepreneurs: taking an innovative product to market, meeting clients/talent/investors, having those same people come to them, receiving support/funding from local accelerators and funds, and hiring great people.

### 4.1 Events/Trips

*Many responders suggested various types of events, whether it be getting Europe and Silicon Valley more connected, or bringing Europe together and the rest of world. Responders included Antonio Hyder of Hydermarketing, Russell Klusas of Founders Institute, David E. Weekly, a VC, Jukka Niemela of ISG, Ramon Suarez of Betawork Coworking Brussels, Luis Galveias of EBAN, Nicklas Krogstrup of ERST & many others.*

Being mobile is a very active part of a web entrepreneur's existence, especially when building a global internet company. Facilitating and subsidizing trips for Europeans to other ecosystems, specifically the Silicon Valley and the US, as well as subsidizing trips which bring international web entrepreneurs /investors/clients to local European ecosystems will provide the valuable interaction and networking that web entrepreneurs need to be successful. In the end, even in a web venture, it's all about valuable relationships and the access you have to them.

#### 4.1.1 Connecting Europe with the Silicon Valley

##### **Innovation action 4**

*Creating more cohesion between the Silicon Valley and Europe can be vastly helpful for European tech startups. Whether or not companies are headquartered in Europe, doing business in the US, and doing business with global web & tech companies will always require going to California, where many of them are located. By building lasting relationships between European web entrepreneurs and the Silicon Valley, it will be easier for European tech startups to become global leaders by teaming up with global partners, clients, and investors.*

Many iterations of a "silicon valley tour" exist in Member States, though none has done a better job than France, with UbiFrance (the semi-public, semi-private exporting organization) and their French Tech Tour. Empowering events like these to bring more people, to do make it accessible on a European-wide level, would enable more Member State startups to meet clients, investors, and other critical member of the global tech startup ecosystem.

Events like these must, however, be positioned for already existing tech startups considering launching in other major tech markets (including but not limited to the US). The above

mentioned model relies on sponsors, who are also potential clients of the invited tech startups, picking the techstartups who attend, and this model could easily be replicated not only for other Member States to come to the United States, but for Member States between themselves, to create a more cohesive European ecosystem.

#### 4.1.2 Bringing the World to Europe

Bringing talented people from outside the ecosystem into Europe is a great way to fuel the ecosystem, and the ability to attract more talented people is a sign of an ecosystem's progression. There currently exist two good examples in Europe of bringing Silicon Valley's most influential people to Europe. The Lille-based incubator EuraTechnologies invites Stanford professors (note: it was a Stanford professor who first invested in Google, and the University has a longstanding history of encouraging web entrepreneurship) to come out and give a crash course to the Incubator's tech startups about web entrepreneurship must-have skills.

A second example is a private event, called "geeks on a plane," in which web entrepreneurs et al. pay up to 10K€ to fly all around Europe with Silicon Valley's most influential investors and web entrepreneurs to not only network with those individuals, but to get introduced to the local ecosystems of various European countries.

The European commission could delegate to a blog, event, or other pan-European non-investment organization 10 places on the plane (~100K€) to be given away to tech startups who apply to said event. This would enable more tech startups, who otherwise could not afford such opportunities, to interact with some of the most influential people in the global ecosystem.

#### **Innovation action 5**

*Events bringing the World to Europe could easily be expanded to other stakeholders, selected by the European Commission through calls for proposals, and could be scaled across Europe, to allow all member states to have access to this kind of knowledge and experience.*

#### 4.1.3 Pitch Camps

Pitch camps – events where web entrepreneurs present their company vision/product/business model and receive feedback from a panel – are a great way for tech startups to get practice talking about their company in front of investors. They exist all over Europe, though the events themselves lack the resources to offer substantial rewards to winners of such events, as well as the resources to bring out potentially interesting people.

The European Commission could select pre-existing events, and subsidize rewards (tickets to major European events, subsidized working space at local incubators, etc.) as well as subsidize at a fixed cost so that notable members of the European ecosystem could come to these events and give valuable feedback.

### **Innovation action 6**

*Increasing value in existing local events: Identify local events which attract tech startups, such as pitch camps, and provide prizes to competitions, such as tickets to bigger European events, to incentivize local events to bring out the best tech startups.*

#### **4.1.4 Supporting Existing Events**

Many great events support the European web ecosystem, and bring attention to people all around the world of the Web Startups in Europe – The Dublin Web Summit, The Next Web Conference, GigaOm’s Structure Europe, LeWeb, and hy! Berlin are all examples of conferences which attract a large audience and are beneficial in terms of visibility for any tech startups selected, as well as for the knowledge gained by tech startups attending.

The European Commission could work with events to make sure Member State tech startups are represented, and perhaps even given subsidized admission to the most prestigious of networking events.

### **Innovation action 7**

*Provide European Tech Startups access to existing Events: Funding tech startups to attend private/top-level networking events, in order to get exposure in front of high-level decision makers in the tech industry.*

#### **4.2 Connect R&D to commercialization**

*The following idea was brought forth by Mario Mahr Ávila, as well as Aard J. Groen, Antonio Hyder, Ramon Suarez, Mark Ellul, Luis Galveias & more.*

R&D is a great opportunity for Europe to leverage one of its most powerful assets, infrastructure, to create new tech startups from innovative ideas. Many responders noted the vast separation between the Research and Development in academia, and the commercialization of said products. Creating a closer relationship between researchers and students in web entrepreneurship programs in studies, or the web entrepreneurship community in general, would result in more natural creation of tech startups.

##### **4.2.1 Moving R&D funding to market related support**

One interesting suggestion concerned appropriating funding from R&D grants specifically to pursuing the potential commercialization of said research. The suggestion could go further and suggest creating relationships between technical universities, business schools and their PhD students and students in web entrepreneurship programs. A joint course/internship would place these two separate backgrounds in a position where they must work together to take their product to market, with minimal funding for resources needed.

The European Commission could subsidize this course to any institutions that include it in their curriculum, enabling students to have first experiences in turning innovation into a marketable product, and researchers would learn to think about the applications of their research.

## **Innovation action 8**

*Increase cohesion between researchers & potential web entrepreneurial students: Funding universities and business schools which create joint-curriculum courses to allow business students to work with research students in order to turn research into a product and take it to market.*

### **4.3 Complementing funds**

In order to enable the European Tech Startup Scene to grow to a self-sustainable state, many responders recommend complementing existing funds/tools, in order to increase the firing power of various investments.

#### **4.3.1 Accelerators**

*Many responders suggested that the financial support for the creation & support of Accelerators would help the ecosystem, including Mike Butcher of TechCrunch, Nicklas Krogstrup of ERST, Caterina Vannier of GEN & partners, Russell Klusas of Founders Institute, Will Hatfield of Startup Côte d'Azur, James McBennett from General Assembly London & Ramon Suarez of Betawork Coworking Brussels.*

Tech Startup Accelerators – investment funds which incubate tech startups, providing valuable mentoring and access to a high-profile network, in exchange for an equity stake in the tech startup – often inject a small amount of capital into tech startups: anywhere from 15 to 200 thousand, both before the acceleration program and afterwards. The European Commission has two ways in which it can help acceleration programs with investment. The first, is to complement the amount of money they are already offering startups entering their program – say, by adding a fixed percentage on to the capital injection (but without increasing the equity exchanged). This will provide seed stage startups with more capital and more flexible, as well as more incentive to join local accelerators, which currently are not attracting the high-potential tech startups.

The second option is to help accelerators who want to do ‘follow-on’ investment – that is, to inject additional capital after a tech startup raises its next round of funding in order to maintain the same % stake in equity in that tech startup, and thus to increase the accelerators chance of making a valuable ROI.

Some accelerators, like HackFWD, provide both initial investment upon entry to the program as well as follow-on later; however, this is not always possible due to the private sectors limited size, which means that accelerators can help tech startups as much as they would like.

## **Innovation action 9**

*Enable Local Accelerators: Provide supporting grants which allow accelerators to invest more in each tech startup, as well as potentially to provide follow-on rounds to tech startups, should they go on to raise additional rounds of funding.*

### 4.3.2 Venture Capital funds

*In addition to supporting Accelerators through grants, many responders requested matching VC investment, including Ramon Suarez of Betawork Coworking Brussels, Luis Galveias of EBAN & more.*

Many responders have suggested that the European Commission provide extra capital on top of investments made by Venture Capital Funds. Doing this would assure that the European Commission is not ‘picking winners’ or competing for deal flow – a costly overhead endeavor – but is instead enabling Venture Capitalists to provide more capital to their tech startups at the same valuations that they would like.

The key aspect to consider here is whether this should be available to Member State funds, or to member state tech startups, since tech startups can receive investment from abroad. Ideally this will incentivize outside investment to invest in European Startups, who, with extra capital, will be more likely to stay in the Member States, and thus return value to the Web Entrepreneur ecosystem.

### 4.4 Pilots: European/international Expansion

*Several tech startups submitted ideas about funding regarding expanding into new markets, including Tuenti, The Next Women, CloudSigma, StartupCamp, as well as John Paul Kawalek of the University of Sheffield.*

Launching internationally is a high-risk and very expensive endeavor for European startups, and they often miss out on large markets because of a lack of investment at this level (Series C & D). For local & European successful tech startups, funding to explore & launching into new markets is badly needed.

The most costly can often be the import/export costs, as evoked by Jacinta Arcadia of Vonprussia.

#### **Innovation action 10**

*The Commission could launch competitive calls to support pilots aiming at supporting international expansion beyond the national borders of the tech startup.*

### 4.5 Online Platforms

*Many responders called for various Online Platforms to bring together entrepreneurs, mentors, investors public financing, and the tech startup ecosystem. Various components of this innovation action came from Cat Kelly, founder at GEN & Partners, Jean-Marc Soustre of Humaneye, Aniss Bouraba of Giglancer, and Henrik Landgren of Spotify*

#### 4.5.1 Online platforms to facilitate connections

Providing grants for online platforms which aim to directly facilitate connections between various groups of the web entrepreneurship ecosystem, or between various countries, has been called for by many. Some platforms, such as AngelList, which helps tech startups to find accredited angel investors & Venture Capitalists, have already been responsible for hundreds

of millions of dollars' worth of investments made between individuals who otherwise would have never met in person. **Funding platforms like these so that they make European expansion a priority** would give European tech startups access to more capital, as well as facilitate interaction within the European web entrepreneurship ecosystem.

**Innovation action 11**

*Online Platforms for connecting: Funding the creation, expansion, or availability of online platforms for connecting the tech startup ecosystem to scale up.*

**4.5.2 Technical online platforms for scaling up**

Other platforms, like that called for by Spotify's Henrik Landgren, are more technical, and could be utilized by startups looking to scale up their technical infrastructure. Providing grants to companies providing online infrastructure specifically designed to help startups scale up their data-gathering infrastructure would remove one of the most difficult barriers in a tech startup's growth phase. This grant could come both in the form of providing money for the construction of such a platform, if it does not already exist, or providing a grant to allow startups to make use of an otherwise expensive platform for a fixed period of time at a highly reduced cost (or 100% free of cost).

**Innovation action 12**

*Technical platforms for scaling up: Funding the creation, expansion, or availability of online platforms designed to help tech startups scale up their technical infrastructure*

## 5 The Typical European Tech Startup in 2020

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In order to get a better understanding of how these changes will impact European Tech Startups, let's take a look at the path that a typical tech startup would take in 2020 within the European Ecosystem provided that the measures above are implemented successfully. The two founders meet in University, one, a researcher or a geek/hacker, and the other, in a Masters of web entrepreneurship. They were paired up in a joint semester project where the business cofounder had to help the researcher take it product to market, and because both of them had learned about what it meant to be a web entrepreneur in school, they were able to assess the risks and opportunities, and determined that they wished to continue the tech startup beyond their studies.

They knew they needed to learn quickly about the ecosystem, because they had not yet begun their professional careers, so they joined an accelerator in their country's capital, which provided them with enough capital to start their business, as well as a network of qualified mentors who provided valuable feedback on their tech startup. At the end of the program, they were introduced to a variety of local and international venture capitalists, who attend the accelerator's end-of-program event each session, where there is a lot of competition to pick the best tech startups to invest in.

Once they receive enough funding to start hiring technical and commercial employees, they attend a variety of events to promote their tech startup as well begin recruiting, and find a highly qualified candidate who has worked in the sector outside of Europe, and is the foremost authority in their field. Because they have been accepted into an accelerator as well as received venture capital, they qualify as a tech startup, which permits them to quickly & cheaply file for a VISA for their candidate, who they hire and bring to their headquarters in Europe.

The company grows, and they are unburdened by the previously complicated legal and accounting issues that normal company would deal with – their status in Europe as a Tech Startup has exonerated them from paying hefty taxes, as the taxes they will pay should they succeed far outweigh the small taxes they would've normally paid. Instead, they have more liquidity to continue growing, and after a few years, are approached for an acquisition by another European tech company. The founders and investors make a sizeable return on investment, and while one of the cofounders goes on to found another company, one of the cofounders decided to take his money and invest it in another companies, like the tech startups attending the same accelerator he did, or in the same sector as his former tech startup.

## 6 Conclusion

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As we have seen above, the European ecosystem has much need for grants from the European Commission. Support from the European Commission today can mean the difference between a tech startup being created or not created, between a new generation of potential web entrepreneurs having experience with web entrepreneurship in school and not, between local accelerators supporting their tech startups financially and not, between tech startups hiring their first employee and never hiring at all, between local players becoming global players and staying in their local market, between being able to grow in a pro-tech startup Europe and moving to the United States.

The European Commission has an opportunity to show Member States what a pro-tech startup environment across Europe can look like for each country, and to demonstrate that Europe can become the home to tech startups, for Europeans or any other web entrepreneur.

## 7 About the author

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Liam Boogar was born & raised in Menlo Park, California, in the heart of the Silicon Valley. In 2010 he moved to France, where he began working with tech startups who had a global vision, and in 2011 he launched the Rude Baguette – France’s Startup Blog, which provides English-language news about the French tech market, including French tech startups, French public tech companies, as well as multinational tech startups & companies operating in France.

With more than 50% of its audience located outside of France, the Rude Baguette quickly became the #1 news source for entrepreneurs, startups, investors, M&A advisors & journalists to get 100% visibility on a market that was historically invisible due to a large language barrier. Now growing strongly, Rude Media, the parent company of the Rude Baguette, is planning to launch similar publications across other non-Anglophone European markets, in order to reduce the language barrier for tech startups across Europe.

## 8 Appendix: List of participants to the Horizon 2020 Consultation on Web Entrepreneurs

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	Company	Position*
Accelerators/Incubators	ETVenture	Founder
	EuroCloud	Managing Director
	Founder Institute	Founder
	Startup Camp	Founder
	The Founders Hive	CEO
	Transylvania Innovation Ventures	Founder
	Investors	B&S Development
Equity Market 4.0		Founder
Mexican VC		CEO & Founder
Thomson Reuters		Financial Analyst
Startups / SME's	123DressMe	Founder
	AgoraMedia - HackFest	Co-Founder
	AMA	Innovation Manager
	Arsima Projects	Financial Specialist
	ATCom	Head Of Innovation
	Betagroup Coworking	Founder
	BINJI	Entrepreneur
	BloomSix	Co-Founder
	Businessoo	Founder
	Chinese Without Borders	Founder
	Civic Agenda	Consultant
	CloudSigma	CEO & Founder
	ClusterAll	Founder
	Cogas Kabel	Program Manager
	Colorjinn/Ivy.do	Founder
	DedaSys	CEO & Founder
	Dpixel.it	Co-Founder
	D-Sight	Digital Marketing Strategist
	Dynamic5	CEO & Founder
	EEConnect	Entrepreneur
EMC2	Co-Founder	

Esteam	CEO
Estro Groep	Marketing Strategy
Fabsie	Co-Founder
Feynlabs	Founder
FFIT	F&F Specialist
Freelance	Architect
FySoMe	Founder
GEN & Partners	Founder
Giglancer	Founder
Global Enterprise	Founder
Goteo Crowdfunding	Founder
Grids.by	Founder
Harap Alb Continua	Editor
Heart for Food	Director
HyderMarketing	CEO
IGN	Director General
InMaps	Web Marketing Mgr.
IttlaKunk	Founder
Kurmi	CEO
Machteam Soft	Product Manager
Machteam Soft	Project Manager
MakeMeApp	Entrepreneur
MediaHoVe - PubliSphere	Founder
MetaVallon	Representative
Mutinerie SAS	President
NueveComunicacion	Founder
PayCento	Founder
PayThru	Co-Founder
Primal Shield	Strategic Advisor
Promedas	Partner
Sentimente.Ro	Project Manager
Serratomo	Founder
Self-employed	Consultant
Self-employed	Advisor
SMRGroep	Chairman
SponsorPay	PR & Comm Manager
Spotify	Global VP
Startup Cote D'Azur	Founder & President
Sticky Factory	CEO
StrokeStrike	CEO & Founder
T.ElectroMedical Company	Sales Representative
TagoLogic	CCO
TAUS	Founder
TechCrunch	European Editor
TenForce	Co-Founder

The Next Women	CEO & Founder
Trento RISE	Founder
Tuenti	VP
TwitSpark	Founder
Velora Studios	Marketing Lead
Vidiget	CEO & Founder
VonPrussia	CEO
WebClusive	CrowdFunding Specialist
What-zup LTD.	CEO & Founder
WISeKey	CEO & Founder
YouCreate	Founder
Zaakvoerder	Founder
ZD NET	Consultant

Academy/ Research Institute

CERTH ITI	Researcher
Fraunhofer	Co-Founder
IESE	Tech Analyst
Lund University	Head of Events
Stanford University	Executive Director
University of Sheffield	Researcher
UPM	Professor
Urban Planning Institute	Researcher
Venturelab Twente	Academic Leader

Government

Basque Government	Director
Basque Government	Head of Department
Creative England	Marketing Manager
CTIC	Project Tech Officer
Danish Business Authority	Special Advisor
Nesta	Funding Manager
Piedmont Region	Head of Innovation
State Secretariat Telecommunications & IT	Head Of Cabinet

Others

Broadcastprojects	Founder
Cuentica	Software Engineer
Danish Energy Association	Consultant
Dental Tubules	Manager
Digital Enlightenment	Secretary General

EBAN	Project Manager
Federation European Publishers Global Entrepreneurship Week	Economist Chairman
Human Eye	Director
ISG	Manager
NMIT Consulting	Consultant
Oy Personal EU United Brains Ltd	Founder
Sanofi-Aventis Group	M.D. and Marketing
Technicolor	NEM Chairman
W3C	Chairman

\*Position of the person submitting the contribution