Inputs received for the H2020 WP16-17 on WE

Contents

V0.4 - 4 August 2014

Introduction

This is a summary of the contribution to the future Horizon 2020 Work Programme 2016-17 on Web Entrepreneurship. We have asked more than 300 stakeholders (ICT13 evaluators, participants to the information webinars and founders of different startup programs) to provide inputs to this exercise.

We have received 30+ inputs from stakeholders are representing venture capital firms, angel investors, accelerators academia, EC funded projects and procurements and national governments.

Five concrete innovation actions

Building roads – Connecting startups, networks & ecosystems

- Networking around business professionals, medical professionals, scientists that could result in difficulties while putting together a startup.
- Foster the creation of real time EU wide community hubs between educational institutions to bring together graduates. For example a graduate with experience in web design from the UK comes to work with a graduate with experience in web programming from France meanwhile an online communications graduate from Germany helps them market their solution. Physical locations are no longer a barrier.

- Enhancing networking and collaboration among key actors in the European web ecosystem

- Initiating joint programs between startups, corporates in order to give entrepreneurs a better understanding how a corporation operates and what are the challenges that could be solved by a dynamic startups (and result in an acquisition for instance)

  - Support matching initiatives between innovative companies (mainly startups) with big industries' need for innovation and new talents.

  - problems we face are common to all SEE countries - we need more networking, connections with VC, angel investors and accelerator programs and better business knowledge to complement the technical talent that exists in the area.

  - Finding the right talents, developing the community, finding relevant testers for our product.

  - Getting to know all the veterans from your own industry and learning from them and also meeting other people who do something similar or are starting up the business.

  - The programs are properly planned to back accelerator, networking event organizations, innovative SMEs. I think that Europe is moving forward in terms of access to high quality events and early stage support through incubation and business acceleration

Pilots: Grow, scale, expand, internationalize

- How to scale beyond Europe? Especially how to compete in the Asian markets and how the European Commission can help entrepreneurs

- Foster the collaboration between EU and NON-EU related Startups. The exchange of good practices and expertise should not be limited to borders

- Support EU-US startup collaboration

- helping tech hubs connect to one another

- Enhancing networking and collaboration among key actors in the European web ecosystem

Interdisciplinary Startup Education

- Use of MOOCs and promotion of networking activities is positive. Funding opportunities for courses related to Web skills (both MOOC and non-MOOC related) should be promoted. Coding must be taught from an early age. There should be a bigger focus on market-skills, like product management, which is lacking in EU universally. Also entrepreneurial education is lagging behind - learn as early as possible how the web changes our life and how we are able to influence. A way to address the problematic would be running pilot education programs to improve technical skills (coding) scientific and entrepreneurial skills for young

- Use the diversity of Europe not just cultural but interdisciplinary

- There is a demand for Erasmus for Startups: Make it possible for entrepreneurs (and programmers) to stay in another country for a year and develop their Product with the team. Create an "Erasmus for Entrepreneurship Support Providers", to enable them to learn from each other by spending time in other environments and experiencing different ways of supporting entrepreneurs. It should be marketed as a new Erasmus and broadly advertised.

- Developing business skills for the startups in the region

Startup Culture Awareness

- A good aspect of the program is to celebrate and promote startups that are doing good in Europe

- Startup Europe initiative can benefit from having local ambassadors in the different startup communities. Ideally this person should be an active and recognized part of the community instead of a public employee. The ambassador will spread the information and the awareness for the different opportunities that the EU creates for them.

- There is a need for a strong united communication campaign because of the lack of awareness of funding opportunities. The communication campaign could be celebrating the sense of competition between the European cities and encourage the cities to collaborate to make Europe attractive enough to the real entrepreneurs.

- There should be more events on working with EU for startups & investors & entrepreneurs. Those could be pitching events in front of investors in selected startup hubs which will get more exposure even for those startups that are based in parts of Europe where VC activity is low. These events can be curated on a particular topic, for example wearable technologies, and so investors can be pre-selected based on their interest in such type of companies.

- More startup competitions

Build an ecosystem

- provide guidance and practical steps to make on their own and for their ecosystem.

- creating regional funds accessible only for those from the region,

- reward collaboration in innovation clusters Education/ Communication

- Creating awareness on national governments about the importance of instigating a well-functioning ecosystem

- Innovation processes and policies across Europe to be fostered-Coinvestment funds development-

- Ecosystem - it is crucial. We need to make sure that we can (1) augment the ecosystems' around the Europe and bring them up to the level of the most advanced ecosystem and (2) interconnect them

- mobile entrepreneurship, direct micro grants to startups

- promote creating of tech hubs for different topics,

- support international expansion

- Support instruments like JEREMIE program

- involve of younger players (both incubators and accelerators and countries as such) & startup community growth in the whole EU. More accelerators (programs) with seed funding and financing for networking events on different scale is a must for next budget period.

- More funding to seed stage accelerators, mainly in less developed countries

- Helping web entrepreneurship by developing the startup ecosystem. The programs are properly planned to back accelerator, networking event organizations, innovative SMEs.

- capital and support between the early stage of startups, graduated from an accelerator and companies with proper traction to run for a Series A funding

- seed funds in Europe and business angel investments should be motivated with different incentives (best practice: the angel funding scheme of TEKES in Finland) to fill in this gap.

- Funding projects that bring together the key actors of WE ecosystems so that Founders get help with the MVP's, market and global competition.

Lowering the barriers

Regulation & Legislation

-        Visa rules and easy immigration for highly qualified talent be it European or not, esp. engineers

-        Remove the frictions between early stage companies, early stage investors, later stage investors, acquirers, and employees. This can be partially achieved by making it easier for international investors to invest in local companies. Currently, investors from abroad need to dig into a new legal and regulatory system each time they invest in a new startup. A simple European company structure and corresponding regulations for starting and managing it will be very helpful for this. A Europe-wide top co or holding company type will be very useful for this and could be managed independently of the underlying company. It would also make crowdfunding and management of multiple shareholders much easier.

Taxation & Financing

-        Currently venture, angel, and crowd funding activities fall under regulations similar to large banks and investment vehicles. This makes it impossible for smaller investors to emerge in today's regulatory environment.

-        Review EU-member state bankruptcy laws, implement tax credits or reducing income taxes, to reduce the risk and to insure a better return on investment for entrepreneurs, since they are sometimes assuming a very high risk

-        A unique European registry for entrepreneurship: Investors and entrepreneurs would have to register and fulfil some requirements

-        Simplified taxation and Tax incentive to invest equity into startups / digital companies. Easy structured tax scheme for capital gains from selling private shares in companies. Investors advantage: tax credit on what they invest (as on R+D activities), and a reduced rate of taxes on profits

-        New ways of fundraising should be promoted, by encouraging Business Angel investors to extend their geographical reach, and to co-invest or form syndicates with Angels in different European countries.

-        Effort towards seed stage accelerators should occur mainly in less developed countries. Otherwise, EU funding should reduce the gap caused by lack of capital and support between the early stage of startups, graduated from an accelerator and companies with proper traction to run for a Series A funding.

-        There are not so many seed funds in Europe and business angel investments should be motivated with different incentives (best practice: the angel funding scheme of TEKES in Finland) to fill in this gap. I would suggest EC to focus on the business angel / early stage investor education and schemes that could act as incentives to HNWIs to support startups in the future.

The next big thing

The following topics are considered the sectors with the biggest innovation potential and economic impact in the future:

- Mobile and web innovations, Mobile, Connectivity

- Open and Big Data, and innovative use of social media

- Internet of Thing

- Crypto Currencies (such as Bitcoin etc) - also belongs to Financial technologies

- Digital marketplaces

- Quantified Self, Quantified self-movements (health monitoring)

- Software as a Service (SaaS) / Cloud / cloud data processing / Increasing data volume - infrastructure as a service (IaaS)

- Singularity (Crossroads between Robotics, AI, IT, Biotech, Nanotech and Material Science)

- Transition of the Web to the mobile and the business model

- Cybersecurity/ Global Security

- AI

- 3D printing

- Wearable technology

- Digital healthcare (exploration and cross solutions for biobanks/bloodsamples)

- Nanotechnology into business,

- Sensors (The next Computing Cycle will generate 10x the installed base of the previous cycle)

- Transportation / Autonomous cars, Connected Car

- Games

- Smart home initiatives

- Smart agriculture

- Smart cities

- rapid prototyping Arduino
- Technologies: bluetooth 4 LE, iBeacon
- interactive action oriented education