

North East Romania

Developing a sustainable & competitive entrepreneurial ecosystem

Good Practices and transferability assessment

A final report to ADR NordEst

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Introduction

There is a widespread recognition that the development of successful small and medium sized businesses is crucial to the long-term health of local economies. Developing a sustainable and competitive entrepreneurial eco-system lies at the heart of efforts to raise incomes and prosperity in regional economies. A successful eco-system consists of a mix of companies, some of which may be rapidly expanding and export orientated, alongside others that are stable, often locally-focused, providing the backbone of the local economy.

Entrepreneurship has come to be synonymous with starting and developing a business of one's own, but in practice, entrepreneurial mindsets can be found throughout the private sector, and are also prevalent in the public sector. Thus, the development of entrepreneurial skills is not just beneficial to the small-business sector but can promote economic activity more widely.

One of the exciting developments in entrepreneurship development is an increasing focus on collaborative and practical learning. Working in this way with prospective entrepreneurs can provide real benefits. The notion of the entrepreneur as a 'lone wolf' is no longer sustainable (even if it was ever true) and experience highlights the value of collaborative learning in a practical environment as a means of developing the skills and knowledge which successful business development will require.

The promotion of an entrepreneurial eco-system can also benefit from the development of hubs which bring entrepreneurs together, support fledgling businesses and can provide a physical focus for training and other development activities. Such hubs can take many forms but, broadly, they seek to overcome the challenges which often face nascent businesses and entrepreneurs. These challenges can include:

- The need for micro-businesses to work with others in order to bid for and to complete larger projects
- Overcoming the financial uncertainty of working on a series of small, short-term projects
- Lack of core business skills, such as financial, management and market knowledge
- Establishing links with others to generate new ideas, or to turn good ideas into practice
- Lack of connection to existing networks and limited contacts to create new networks, so restricting opportunities to develop new ideas.

- Uncertainty as to who to trust when seeking advice, knowledge, or developing new opportunities
- Difficulties in raising external finance at competitive interest rates and repayment terms

Entrepreneurial hubs can serve three valuable purposes:

1. Firstly they can act as incubators and business growth accelerators that provide entrepreneurs with access to resources and knowledge that foster their initial attempts to establish and succeed in their business
2. Secondly, they can act as the vehicle for delivering training and other activities that stimulate entrepreneurial mindsets and encourage the development of a new generation of entrepreneurs, and
3. Thirdly, they can help raise the profile of entrepreneurial options within a region and raise awareness on the potential and on the contributions of small-businesses to other sectors and enterprises

The following note seeks to highlight some good practices around three key themes:

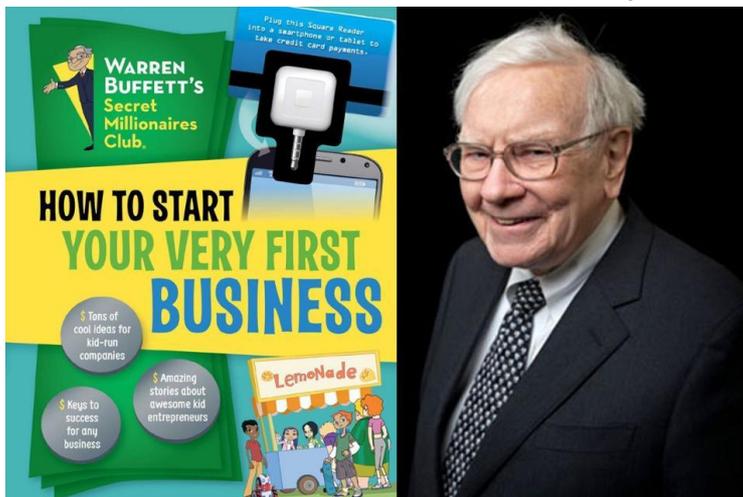
- Inspiring a culture of entrepreneurship from early ages
- Nurturing entrepreneurial expertise through all levels of education
- Building an integrated entrepreneurship assistance system – supporting structures & services (help to start, sustain and grow a new business)

Good Practices

i) Inspiring a culture of entrepreneurship from early ages

Although most entrepreneurial initiatives tend to focus on adults there is an increasing recognition of the importance of encouraging children to develop a more entrepreneurial mindset and so to inspire the next generation. One of the more well-known exponents of this is the US investor Warren Buffett, who has started the Secret Millionaires Club in order to encourage children to understand more about starting businesses. As part of this, he has also written the forward to a book published by Downtown Bookworks on “How to start your very own business”, aimed at children aged around 12 years old.

Warren Buffett and ‘How to Start Your Very Own Business’



Source: <http://www.forbes.com/sites/danschawbel/2015/11/17/why-warren-buffett-wants-children-to-be-entrepreneurs/#34b1337f17c4> Credit: Downtown Bookworks

Working with By Kids For Kids (BKFK), the Secret Millionaire’s Club teaches financial literacy and entrepreneurship through activities for the classroom, home, and other settings where students and families learn. There are animated webisodes and free activities available through the internet: <http://bkfkeducation.com>

One of the key messages for those seeking to inspire a culture of innovation is the importance of practical actions rather than traditional teaching. This might be through running activities, creating a local magazine, promoting an event or any other action that involves skills such as planning, designing, publicising, and managing finances. There are many examples of young people developing quite complex projects – such as the example of bringing school magazines into the

internet age in Box 1 below – but actions can also be simpler, such as providing refreshments at a school event or working through children’s out of school clubs.

Box 1 Developing independent entrepreneurial skills

A strong example of this in practice was provided by the Youth In Action programme of the EU. In one project, based in Luxembourg, young people decided that they wanted to move their school magazine into the internet age. The motto of the project was ‘no adults’ and, through their own efforts and in their own time, the participants developed an app which not only carries magazine articles, but also provides up-to- date information about the school. To do this, they set up their own working groups on techniques, content and management. They carried out the technical development of the app, learnt the techniques required, designed the content and planned and controlled the budget. Once the app was developed they presented it in the school during an event with a concert, and promotional T-shirts and flyers. They also promoted it outside the school: they developed a logo, wrote press releases and contacted local media. (<http://eacea.ec.europa.eu/youth/tools/documents/youth-entrepreneurship.pdf>)

To nurture entrepreneurial cultures does require a level of resources to provide the space and knowledge to help children develop their ideas. At the EU level, the Youth In Action Initiative provides a good model of one approach that could be adopted. Other examples can be found through the EU’s INTERREG Programme. In the UK, the Fiver Challenge (Box 2) is an initiative developed between a charity, a large business and the government to support primary school pupils (ages 5 –11) develop their entrepreneurial skills.

Box 2 The Fiver Challenge

The Fiver Challenge is an annual event, which pledges £5 to primary school pupils for one month to encourage them to find creative ways to make a profit and engage with their local community. Pupils have one month to set up mini businesses and make a profit. They can keep their profit – donate to charity or keep for themselves. They pay back the £5 pledge plus a 50p legacy donation.

In 2016, 48,000 pupils took part from across the UK. Teachers and participating pupils are supported through online support tools including inspiration, activities, case studies and guidance. Teachers can keep track of pupil progress

through online logbooks. Teachers report that the challenge helps pupils to increase awareness of self employment, money management and the world of work and also to build skills such as teamwork, creative thinking, problem solving and communication

The Fiver Challenge is run by the education charity, Young Enterprise, and supported by Virgin Money and the UK Government's Department for Business, Innovation and Skills.

ii) Nurturing entrepreneurial expertise through all levels of education

Closely connected to the objective of inspiring an entrepreneurial culture is the aim of stimulating entrepreneurial education. Whilst traditionally viewed as something undertaken in Universities, there is now a strong recognition of the value of encouraging entrepreneurial expertise at all levels of education. For some initiatives the aim is to promote the development of new businesses, but for many, the objective is to encourage the development of more entrepreneurial attitudes and behaviours. One of the important starting points in developing any programme can be to harness the involvement and ideas of those who the planned programme is aimed at, as was the case in the Basque Country, Spain (Box 3).

Box 3 Developing a participative programme of activity

In the Basque Country, Spain, the **GAZE** initiative (an acronym for the Basque term 'gazte ekinzale' which refers to an entrepreneurial youth) emphasised the importance of the students taking full responsibility for the design of the program to promote the entrepreneurial culture and the sense of initiative within higher education. To achieve this, GAZE organized two series of events in which university students in the Province of Gipuzkoa shared their ideas about how to increase entrepreneurial awareness.

Some 500 students participated in the events called GAZE ABIAN (which in Basque means, 'setting off GAZE'). Here, each university of Gipuzkoa organized its own particular event, coherent with its own vision, providing an opportunity to directly survey the proposals that students had to encourage entrepreneurship among themselves. Based on the results of these events 123 students of all universities of Gipuzkoa participated in the workshops 'GAZE in your classroom'. These students had the opportunity to sharpen the proposals gathered in the GAZE ABIAN as well as to think about new proposals. More than

600 proposals were received from across the two sets of events. The main proposals were in the areas of: Changes in the curriculum or in the academic methodology (c.42%); Improvement of infrastructures (c.26%); Creation of social networks (c.17%); Creation of institutional networks (c.15%).

Within Universities, there is now a much stronger emphasis on helping students (and staff) to establish their own businesses. One example of this from outside of Europe is the Entrepreneurship Stream initiative, which was started in 2001 by the Department for Management Studies at the University of Western Cape in South Africa. This is a one-year intensive study programme where student teams aim to start-up an on-campus micro business within four semesters. Teaching includes theory, opportunity recognition, business plan development, marketing studies and business survival and growth strategies. The Entrepreneurship Stream runs in 4 terms of 7 weeks each over the duration of one year.

The first term presents an introduction to the theory of entrepreneurship and its practical application. The objective is to raise interest in entrepreneurship as a viable career and to teach first steps of business plan preparation. This is followed by a term of teambuilding, the beginning of teamwork (including the development of an agreement of rules, roles and responsibilities amongst team members), culminating in a business plan and initial contacts with potential investors. In the third term the micro-business is launched. This provides firsthand experience of the demands, success factors, potential pitfalls and challenges of starting a business. The final term is then dedicated to developing the business, exposing students to the ongoing needs of business development.

In Germany there are several examples of Universities seeking to develop entrepreneurial skills amongst both their students and existing, and prospective, entrepreneurs outside of the University. In Munich, the UnternehmerTUM, promotes skills development and supports the development of new firms (Box 4). The University of Jena, Germany, also recognizes the value of developing entrepreneurship skills amongst its students and its staff. Here, the University has established the Center for Entrepreneurship (COE). This is an interdisciplinary centre with the aim of fostering entrepreneurship and forms part of the university's technology transfer office, rather than an academic department. The COE organises entrepreneurship education activities, provides start-up support and facilitates interaction between the wider entrepreneurial community and the university. Its main activities include:

- Planning and organising lectures and workshops relevant to entrepreneurship
- Organising activities that promote self-employment as a viable career choice

- Providing consultation and coaching services for future entrepreneurs
- Facilitating contacts to external parties such as business support providers, financiers and firms
- Organising mentoring for future entrepreneurs
- Building and maintaining regional networks promoting university-industry linkages

Box 4 Strengthening entrepreneurial skills

UnternehmerTUM, the Centre for Innovation and Business Creation, is an institute affiliated to the Technische Universität München. The centre comprises the UnternehmerTUM GmbH, established in 2002 as an institute of public interest and its subsidiary, UnternehmerTUM Projekt GmbH, established in 2010. The institute brings together two core competences in a unique manner; qualification as an entrepreneur and the initiation of innovations and new companies. Its activities are aimed at undergraduate students, postgraduate and PhD students, and business professionals. Every year over 1,000 participants take part in lectures, seminars and specially designed programmes, such as spring and summer schools for PhD and Masters students, and over 150 business plans are developed in special business plan seminars, where the participants receive feedback and learn presentation techniques.

The Supporting Entrepreneurship programme at Aalborg University (SEA) also seeks to introduce students to entrepreneurial options through the provision of training, mentoring, coaching and, importantly, assisting access to networks. The SEA operates an incubator programme that connects the entrepreneur to individuals with specific knowledge. This can help the entrepreneur to develop their idea more fully. Additionally, the entrepreneur can be connected with other students with different professional competences to challenge their expectations and patterns of thinking in relation to their business idea.

Across Europe, there are many examples of programmes that link University students to existing firms. One of the better known examples of this is Demola (Box 5). In other examples, European Structural Funds have been used to support students undertake Masters level post-graduate education, with a dissertation or other form of project work undertaken in partnership with a company.

Box 5 Linking students to firms: Demola

Demola is now an international structure, with 18 locations around the world. Through a structured approach it gives multidisciplinary student teams the

opportunity to work with companies to develop novel products and services based on company their needs and interests. Companies range from local SMEs to international large-scale enterprises as well as public organisations. It is based on international, interdisciplinary networks; concepts of co-creation; a structured process and an agreed framework guided by simple procedures for licensing, intellectual property rights and so forth. For students, all Demola projects are a part of their degree programme, and so they gain credits towards their degree, the student team also owns the IPR for the results of each project, which the partner company can purchase or license. This also means the project is without financial risk to the company, as they pay only for results.

Developing a practical aspect is an important component of many approaches to entrepreneurial education. In this area the practice firm is a popular means to introduce the idea of entrepreneurship into schools. Some practice firms are fictitious, others involve students creating their own company, and others involve running an existing company (Box 6). The pedagogical objective is that students become familiar with business planning, are able to work on different tasks in the firm, understand the business as a whole and learn a set of soft skills.

Box 6 Nurturing entrepreneurial skills through practice firms

In Rennes, France, Students develop a business plan as part of a competition, including the issues of sustainable development. They are accompanied by their teachers and local actors of business creation. The competition is open to high school students (level V and IV) of the public and private schools of the national education, agricultural education on the academy of Rennes. Student teams consist of up to 12 persons and they are supervised by one or more teachers. Prospective teams apply in October each year and are supported for one year. Their accompanying teacher receives a day of training and the teams receive support from local business support providers and partners. Prizes and diplomas are awarded at a closing ceremony, as well as an individual certificates of participation in the competition. During the year the student teams share responsibilities and tasks concerning the foundation of their company: market research and competition, registering the company name, creating a company logo, technical development of products or services, negotiations with suppliers or subcontractors, marketing, sales and all aspects of business development.

In other cases, students have the opportunity to participate in the operation of an existing company. In Austria “ALCA Bohne GmbH” is a training firm trading in coffee machines, accessories and tea. Founded in 1994 it is located in a college for business administration in the region of Salzburg. Students aged 17 – 18 are responsible for all aspects of company operation, based on their earlier studies

in relevant business subjects supported by two real partner firms. The focus of the activity is on practical, teamwork and implementation of skills learned in the classroom.

iii) Building an integrated entrepreneurship assistance system - supporting structures & services (help to start, sustain and grow a new business)

A mainstay of entrepreneurial support structures are business incubators and accelerators, that offer space for companies to develop, professional support and access to facilities and services. Some specialise in a particular sectors, others are more general (Box 7). For many businesses, an important feature can be the opportunity to customise a space to their particular needs. For others, the offer of favourable starting terms that reduces their costs or their risks can be particularly attractive. Incubators and accelerators are often located near to universities, in order to promote exchanges of experience or to facilitate the use of resources, but this is not always relevant. Four examples of high-quality incubation and acceleration approaches are identified below. There are many other examples across the EU and further afield.

Box 7 Promoting the development and growth of new businesses

INiTS

Located in Vienna, Austria, INiTS is a business incubator that supports entrepreneurs through an intensive 18-month long program. The incubator offers significant resources, and mentoring and consulting through their network of mentors, experts, investors, entrepreneurs, researchers, as well as infrastructure, and funding. On average each start-up firm receives €32,000 of subsidy and loan funding; only 15% of which must be repaid if the business is not successful after three years from acceptance into the incubator. Businesses apply to participate in the start-up programme, with successful applicants provided with €3,000 of initial funding plus 100 days of intensive support, including classic business topics and soft skills such as presentation training, financing, marketing, promotions, IP law, legal and tax basics. Businesses then pitch at a demo day, with the best being invited to join the 15-month full programme.

NEST'Up

NEST'Up is a 12-week acceleration program in Wallonia, Belgium. It is founded on the same model as TechStars' American accelerators. It runs 2-3 times per year with a cohort of between 6-9 participants for each cycle. It is a 3-month full

time programme utilising experienced coaches. 30 or more coaches advise on all aspects of company formation and growth. The programme ends with a demo-day where companies pitch to potential investors and the press. Selection criteria are based on: the product must be financeable, ie there needs to be something to actually run on Demo Day; the expansion strategy must look beyond Belgium and there must be 2-3 co-founders involved (individuals are not accepted). NEST UP is affiliated to TechStars (US) and is a member of the Global Accelerators Network. Applying to and participating in the NEST'up accelerator program is free.

Startup Sauna

Startup Sauna accelerator is focused on accelerating innovative business ideas from Eastern Europe, Russia and the Nordic nations. A five-week program offers quality coaching events for startups from all fields of business. The event takes place twice a year, and all programs are free-of-charge. A visit to Silicon Valley (a one-week program) is a part of the accelerator program and the best teams have an opportunity to meet partners, investors, and customers and to get a better understanding of the US market. Startup Sauna is a project of the Startup Sauna Foundation, along with Slush conference and Startup Life internship program. Further details on Start-Up Sauna are set out in Annex 1.

3Challenge

In Bulgaria, 3Challenge gathers young entrepreneurs to compete for the best innovative idea. Organized by *Start It Smart*, the biggest entrepreneurship club in Bulgaria, the entrepreneurship competition has 3 stages: Idea (presentation), Seed and Grow. All three stages offer different business opportunities, however, regardless of the stage, young entrepreneurs receive mentoring, access to resources, and an opportunity to participate in workshops and seminars.

Finding a suitable space in which to develop your company can be a challenge for many entrepreneurs, particularly when they are sole-traders. Many initiatives have been developed to meet this challenge either through the development of new facilities or through the refurbishment of existing properties, which can also contribute to the regeneration of rundown neighbourhoods. One example of a successful approach in this area is Indycube in Wales, a shared office space and co-working community. Indycube offers facilitated office space at a number of locations in Wales. Individuals and firms can book the use of a desk or a meeting room, get access to business support or finance advice and take advantage of free wifi, tea and coffee. Like many other similar service providers Indycube is now also offering access to more specialist facilities in some of its premises, such as equipped workshops for woodworking and light engineering, photography

studios and fab labs, equipped with 3D printers, laser cutters and other fabrication tools. Services are booked on a daily or hourly basis and so provides local firms with access to resources as and when required, reducing the overall cost to the firm. Firms can also join the Indycube community, which offers free access to many facilities, a programme of events and the opportunity to connect with other local firms.

Some initiatives focus their activities on meeting the particular needs of entrepreneurs in specific sectors. The Creative Centre Brno, Czech Republic, for example, aims to support entrepreneurs working in the creative professions and help them to develop their business. The Creative Centre Brno offers a number of actions, including:

- “120 seconds”: a special networking event that helps to stimulate new co-operations between innovative companies in which each company presents its products, activities and fields of potential co-operation within 2 minutes, followed by moments of informal networking. One of the reasons that this proves to be so successful is the effort that staff at the Creative Centre go to match firms at the event, trying to ensure that firms are neither too close to each others interests (probably competitors) nor too far from each other (lacking common agendas).
- Promoting networking between creative and non-creative enterprises in order to raise awareness of the importance of the contribution of creative and digital industries to other fields;
- “Creative Credits”: in an interchange between different types of industries, this initiative seeks to emphasize the expertise and innovative potential of the creative industries to SME growth and encourage the use of creative skills;
- “Regional Film Office”: an initiative to support film productions abroad and to promote film shooting in the region with the objective of fostering job creation among film makers in Brno;
- Other smaller actions: e.g. enabling access to facilities and to access capital via alternative ways such as crowd-funding.

A thriving entrepreneurial eco-system can also be facilitated through helping established entrepreneurs to develop their business skills and experience. Promotech in France offers an example of this approach, as do many of the examples already contained in this booklet (Box 8). In an extension of the idea of working with end-users, one of the leading innovation promoters in the UK, NESTA, recently emphasised the importance of encouraging (and enabling) large companies to work with start-ups. This provides significant benefits to both parties and can make all the difference to the success of a small firm. However, it

is important to guard against the risk of developing dependencies on one or two customers.

Box 8 Digital platforms for coaching and product development

PROMOTECH is a European community business and innovative centre (EC-BIC). It promotes a living lab approach for start-up companies that aims to improve the support for start-up companies and boost their potential. PROMOTECH adopts a model of open innovation driven by end-users that integrates market need early in the development of the idea or business process. Being driven by users, this process leads to a new type of entrepreneur who is coached, duly influenced and guided by users and potential customers.

Implementing a digital platform, PROMOTECH adopts a novel type of coaching based on providing a physical and virtual space where all participants can actively participate in co-creation projects. The entrepreneur first defines the type of potential end-user. PROMOTECH is then responsible for gathering a panel of potential end-users and organising a meeting at the entrepreneur's location. Here the business creator presents his or her project and then questions the panel on precise topics. The synthesis of the meeting is then placed online in a collaborative platform (a Wiki). The Wiki for each individual project is updated as the project develops and new activities are implemented. Equipped with a smart phone, the users will be able to publish regular contributions based on their actual experiences. This provides a unique coaching environment and enables products to be demand-led and tailored to user-needs.

One of the constant challenges for entrepreneurs is finding the time to develop their skills alongside their business. In recognition of this, WelshICE, in Wales has developed a remote-learning package, aimed at those that are not able to find the time to come to events during the day. Known as the 5 to 9 club, and operating through an online platform, it is a 12-week course that runs during the evening. At 5pm the theme is READ – consisting of interviews with entrepreneurs that inspire, and practical knowledge to inform. At 7pm the theme is LEARN – consisting of bite-size workshops to learn what you need to know as an entrepreneur about topics such as raising investment, registering your business, and building culture as you grow your team and to ask the right questions. At 9pm the theme is TALK – offering an opportunity to benefit from insights from experts and peers, on everything from accounting to personal growth. The course is restricted to 50 participants to ensure manageable conversations.

iv) Taking an integrated approach

Whilst there is much merit in establishing a variety of support pathways based on different entrepreneurial profiles and needs, there is also value in adopting integrated approaches where possible. One example of this is the Innoomnia project in Finland, which brings together High School students and entrepreneurs to mutual benefit (Box 9). This illustrates how entrepreneurial education can also serve to support an entrepreneurship assistance structure.

Box 9 Integrating vocational education with entrepreneurial support

Innoomnia is located on the campus of the educational development center Omnia Kirkkokatu in Espoo, Finland. Sponsored by the National Council for Education in Finland the project provides hands on learning opportunities for students from 16 years of age and offers support to entrepreneurs. It aims to combat educational and social problems such as unemployment, especially among young people; overcome the low appeal of vocational education and tackle the difficulties encountered by prospective entrepreneurs.

In the Centre, entrepreneurs run their businesses jointly with students and teachers. The space is an open and collaborative one, characterized by interaction and the sharing of experiences. It offers different programs such as education, vocational training and support for entrepreneurship, especially for startups in the areas of arts and services. For students in their final years of high school, innovative teaching methods such as gamification and mobile technology are used. Participants are able to choose what they wish to focus on, with students developing a personalized learning plan. Students and teachers collaborate with the entrepreneur to seek out and create innovative solutions to help each business succeed. This activity gives students an opportunity to 'get their hands dirty' and learn by doing. Professional development for teachers and educational leaders relating to all areas of basic and vocational education is also promoted.

Since 2011, the project has supported at least 110 would-be entrepreneurs in setting up sustainable businesses and around 600 students have also benefited from on the job learning. Additionally, a total of 742 teachers and school leaders have been trained in methods of teaching entrepreneurship and educational technology. Seven hundred campus employees have now had contact with this new pedagogical approach, along with 2,700 visitors. The project has also received national and international awards for educational innovation.

In doing so it is important to ensure that the pathways offered are open to all and not just those interested in starting a business. Sowing the seeds of an entrepreneurial culture, and nurturing the shoots that emerge, provides wider economic and societal benefits beyond the number of new business formations.

It is important also to appreciate the value of supporting local entrepreneurs whose businesses may have less growth potential but nevertheless provide the backbone of the local economy. Helping these individuals to increase their profitability can help to sustain employment and lead to higher incomes.

Nest Up (introduced in Box 7) also provides an example of how an accelerator can form part of a wider ecosystem of support. It sits alongside other initiatives that are designed to promote a stronger culture of innovation and entrepreneurship within the Belgian province of Wallonia. Alongside NEST UP, the key elements are:

Activity	Description
Nest In	For those with just an idea, a 6 day programme to help them frame their project. Working with experienced coaches, who can provide contacts, toolkits and methods.
Start Up Camp	A 6 week accelerator programme culminating in a pitch to regional bodies and other stakeholders that could help the nascent start ups get off the ground.
Innovation Accelerator for SMEs	Run through NEST UP, this promotes innovation projects in existing SMEs – it is about the project not the company.
Founders Meet Up	A series of half-day relaxed meetings where existing start-ups/SMEs can come together to discuss common themes. Forging a local ecosystem of networks and contacts.
Creativity Week	A seven day programme held in seven towns in Wallonia. This gives the public the chance to join creative workshops, to think about new business models, to make objects, test technologies and to interact with entrepreneurs.
Creative School Lab	Working in High Schools since 2013 to build creativity amongst teachers and pupils. Schools apply with a project idea and successful applications receive investment in physical space/facilities and training/activities for teachers and school children.
Makers in Tech Schools	A recent (2016) pilot this involves working with two Tech Schools to provide access to Fablabs and other maker facilities.
NEST KIDS	A six-day programme for teenagers including business models and technologies (drones, 3D printers etc). It ends on a Saturday with presentations to the parents.

v) Lessons learnt from practice

It is now widely-accepted that it is not possible to simply copy successful practices from elsewhere. Efforts to promote entrepreneurship must be tailored to the particular needs, conditions and cultures of individual places. This booklet

has highlighted examples that have been successfully adopted to promote entrepreneurial cultures at all ages, to nurture entrepreneurial expertise and to build an integrated system for entrepreneurial assistance – three areas highlighted as particularly important for North East Romania. Their success can be adapted to promote successful outcomes in North East Romania and aspects of all the initiatives identified could be utilised in North East Romania.

Various factors characterise the success of these initiatives, including:

- Meeting a recognised need within their locality
- Providing a means to bring together students, firms and providers
- Delivering services that recognise the practical demands of those that the service seeks to address, and providing these in an appropriate form
- Adapting the offer to meet the interests and needs of firms, students and potential entrepreneurs
- Knowing their client base and working to provide tailored solutions within overall programmes
- A long-term approach, which provides opportunities to learn over-time and allows the institutions involved to build a positive reputation over a number of years

In many cases, but not all, a physical location (or hub) has been an important part of the offer. This has provided a means of integrating different service aspects in practice, as well as providing a focus (and a profile) for the entrepreneurial effort. This could be a permanent base, or might be a temporary facility, such as a 'popup' event for a few days or a few weeks. Recognising that travelling to a physical location is not always feasible, online offers are also increasingly common. Whilst initiatives promoting entrepreneurial cultures and outcomes are often generic, there is also recognition that needs differ depending on the market or sector in which an entrepreneur might operate. Targeting particular sectors or domains of activity is therefore also popular. One means of targeting could be to align entrepreneurial support activities with identified priorities of smart specialisation strategies.

We should not overlook the value of training courses as a means of developing entrepreneurial skills. There are well-structured training programs available, where a wide range of subjects of required knowledge are covered (such as accounting and finance). These often use modular training sessions that may have a more or less participatory nature. Unfortunately, experience shows all too frequently that this knowledge remains difficult for entrepreneurs to acquire, at times perhaps because they fail to perceive its importance. What is also clear, however, is that the manner of transmitting this knowledge is not as effective as it could be. Thus, finding routes through which to expose entrepreneurs to this knowledge is extremely important. The examples highlighted in this booklet all

emphasise the importance of developing practical approaches that allow entrepreneurs (and prospective entrepreneurs) to develop their skills through real-world problem solving.

In seeking to promote a more entrepreneurial economy there are four key lessons to conclude on:

- Recognise that school teachers have a key role to play. A frequently stated view stresses the benefit of inviting teachers to participate – working with the willing – rather than directing those who are reluctant.
- Invest in the promotion of the entrepreneurship education agenda - support teachers and trainers in improving their skills and knowledge in this field.
- Provide opportunities – shared spaces – for teachers and business people to network and collaborate – such as through entrepreneurial hubs.
- Engage employers and offer guidance and facilitation to maximise the potential of their involvement.

What the examples identified in this booklet share is a belief that we should equip children, young adults and existing employees with entrepreneurial skills through education, problem solving and participatory activities. Even if they do not go into business, these competencies – teamwork, problem-solving, creativity, planning – are valued by all employers and are increasingly expected in the workplace.

Annex 1: Start Up Sauna

Introduction

Start Up Sauna was launched in 2010. It was intended to fill a gap in the provision of support for start-up businesses. At that time there was very little in place in terms of accelerators, support organisations or tools. It was intended to elevate the start up concept to a more central part of the business eco-system.

Start-Up Sauna emerged from a ‘Travelling Salesman’ approach, whereby its founders travelled across the Baltics, Nordic countries and Eastern Europe to meet key players and aspiring start ups. They recognised that there was a lot of latent talent waiting to be unlocked. The model is based on the lessons learnt by their founders who had themselves travelled to Silicon Valley to explore why start up firms were emerging there and not in Finland.

Start-up sauna has no significant KPIs. This is one of the reasons for its success. The aim of Start Up Sauna is to promote the growth of selected start ups and to boost local entrepreneurial eco-systems. Although the funders of Start Up Sauna are based in Finland, there is no expectation that local firms will benefit, or that firms will locate in Finland. The funders value the indirect benefits of establishing Finland at the centre of a thriving eco-system of technology-based start ups.

Start Up Sauna focuses on technology firms that are a similar point in the growth cycle, where they have a prototype available and are starting to raise their seed-funding. The focus of Start Up Sauna is on helping firms to develop their business through an intensive and tailored 7-week coaching course.

Deal flow (selecting startups)

Start Up Sauna draws on its network of contacts and local groups from across its target geography. It has created partnerships with local start up hubs and undertakes an intensive 1-day coaching session helping local start ups to develop their business approach and pitching techniques.

Aspiring applicants then apply for a place on the Start Up Sauna course. It currently received 1,000+ applications for 15 places in a cohort. There are two cohorts each year. Successful applicants have to commit to attending the 7-week course in Helsinki. There is no cost for this and start-ups receive free accommodation (or €1,000).

Participants are selected on the basis of the ability of Start Up Sauna to add value to the business proposition, the quality of the team involved, the scalability of the business idea and the ‘fit’, or synergies, with other participants, For each cohort, Start

Up Sauna seeks to build a pool of start-ups with similar interests in order that they might utilise their off-time to develop their ideas together.

Acceleration process

The acceleration process is a structured seven week intensive training period held in Helsinki. The focus is on building the business. A mix of sessions are conducted, including one-to-one sessions with experienced coaches. Each start-up received around 30 hours of coaching per week.

The coaches are only allowed to offer advice to firms based on their areas of expertise (even though all are knowledgeable entrepreneurs or venture capitalists in their own right). It is a very tailored process, based on the particular needs of the business. Programme themes include finding focus, understanding your customers, finding the right product-market fit and go-to-market strategy, HR/team, legal and fundraising.

Start Up Sauna prides itself on its honest and constructive feedback to start ups. It takes no equity in the business, takes no money from the firms, and the coaches are not paid for their time. This means that there are no potential conflicting interests. They are able to tell firms the issues exactly as they see them.

Mentor network

Start Up Sauna operates through a network of coaches rather than mentors. This means that start ups get exposed to a variety of sources of expertise, with specialisms that are relevant to the needs of the business. Many of the coaches have previously benefited from the Start Up Sauna programme, others are part of the wider start up ecosystem that Start Up Sauna can tap into.

Around 70 coaches are available to Start Up Sauna. Each gives of their time on the understanding that this will have an indirect, or longer-term, benefit to their interests, through raising the population of start ups in the field and building stronger networks of firms and contacts in other regions. Start Up Sauna is part of the Foundation that operates the tech fair 'Slush' and other activities and so has a large population of contacts on which it can draw.

Graduation & follow-on funding

There are a number of touch points following the end of Start Up Sauna. Each cohort ends with an Alumni Summit, which brings together all the participating companies, plus a number of past alumni. This forms the first touch point and provides an opportunity for firms to pitch to potential investors and to the media.

The second touch point is where Start Up Sauna takes its alumni with it when it travels to Berlin, London and, for some, Silicon Valley. By doing so it can introduce them to possible investors and other interested parties.

A third touch point is that Start Up Sauna is able to offer its alumni access to Slush!, including the potential of presenting a pitch.

On an on-going basis, Start Up Sauna is able to leverage its network of alumni and local partners in different towns and cities to help contacts to get a foothold in new market areas. The intention is that start ups should also be able to raise money in their local markets. In fact most companies that are accepted on the programme come from outside of Finland. Currently there is normally one Finnish company out of every 15 companies in a cohort.

Conclusions

Start Up Sauna is a relatively unique accelerator in that it is publicly funded but does not seek to achieve direct economic benefits to the local economy. It's success is measured in the profile that it brings to the local start up community and so the economic spillovers achieved. In taking this approach it builds on the goodwill and enthusiasm of a large number of experts, this allows it to offer a range of tailored expert services.

The quality, and reputation, of its offer is reflected in the large number of applications from a wide geography received for a small number of places. This enables it to pick the brightest prospects. By not taking equity, or charging fees, and offering a short intensive training period Start Up Sauna is able to maximise the value of its offer to participating companies, whilst not reducing their future value to potential investors.

When asked to comment on the lessons they would share, Start Up Sauna chose to emphasise the importance of a student movement that can both inspire an entrepreneurial start up culture and, in turn, be inspired by this. This was the practical roots of the Start Up Sauna experiment and remains a strong foundation. They stress the value of Higher Education systems that value the benefits of the start up experience as experiential learning.

The second lesson they share is the importance of learning. It is not the starting a business that is a measure of success, as this may well fail or be sold on. It is learning how to start a business and how to manage a business that is key. This learning will remain valid in starting the second, third or subsequent businesses and will contribute to the development of a rich ecosystem of start ups and entrepreneurs.