

North East Romania

Developing a sustainable & competitive entrepreneurial ecosystem

Good Practices and transferability assessment

A final report to ADR NordEst

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August 2017

2016CE16BAT070

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:

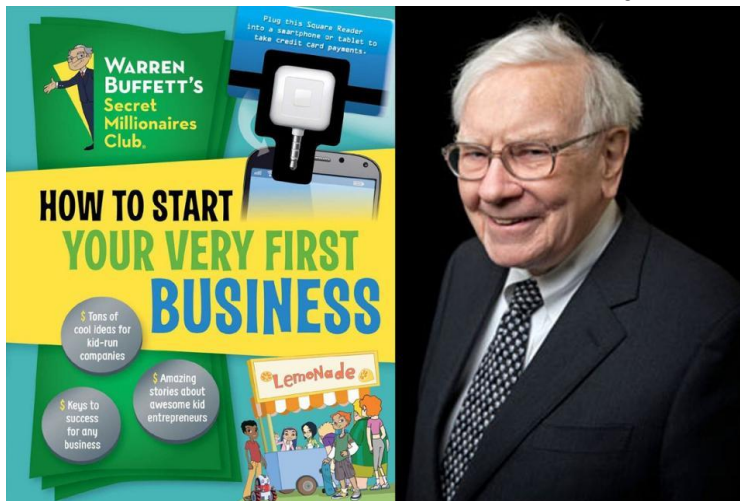
- Inspiring a culture of entrepreneurship from early ages
- Nurturing entrepreneurial expertise through all levels of education
- Building an integrated entrepreneurship assistance system – supporting structures & services (help to start, sustain and grow a new business)

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://bkfeducation.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. For further details on the Fiver Challenge, see Annex 1.

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. Further details can be found in Annex 1.

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; [2]
- “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; [2]
- “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; [2]
- Other smaller actions: e.g. enabling access to facilities and to access capital via alternative ways such as crowd-funding. [2]

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. Further details on WelshICE can be found in Annex 1.

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. Further details are contained in Annex 1.

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

A. 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.

B. NEST-UP

Introduction

NEST-UP was launched in 2012 and is located in the Belgian province of Wallonia. It is now a distributed network of seven Creative Hubs. It is a non-profit concept with support from the public sector, mainly the province of Wallonia. It aims to foster a creative economy and, in the words of its staff, to 'talk to the underground', that is 'the creative people, the geeks, the explorers, the makers'.

The aims of NEST-UP are to create a creative and innovative economy, to move from the post-industrial to a new age. Its original aspiration was to fight the prevailing 'brain-drain' experienced in Wallonia by attracting people to the Province and convincing residents that they could stay and build an economic future in the region. It is a different model to one that might be located in large cities.

Accelerators are the mainstay of its activity, accounting for 60% of all time inputs, but they form part of a much wider package of activities, focused on the Creative Hubs. NEST-UP is now trying to transfer their knowledge of the accelerator process into the Creative Hubs. It believes that innovation is not a monopoly focused on research and innovation systems or smart specialisation, as this misses new emerging forms of innovation. To stimulate these different areas NEST-UP has developed different types of activity, targeted on specific objectives.

It's goals for 2015-20 reflect this broader mission:

- To develop 100+ projects (Start-ups and SMEs)
- To work in 100 Schools
- To work with 100,000 people

NEST-Up has two key performance indicators for its acceleration activities:

- The number of participants
- The number of jobs created

Deal flow (selecting startups)

The focus of NEST-UP was originally digital companies, although this is acknowledged to have been due to default rather than design. It was where the demand came from. NEST-UP is now more diversified, which has had implications for the growth profile of would-be start-ups owing to the greater

demand for higher levels of pre-financing for non-digital companies (especially where tooling or prototyping might be involved).

Each year there are 2 cohorts of start-ups who progress through a three-month programme. The aim is to attract around 6-9 start-ups per cohort to provide a group of around 22-30 people. This is seen to be a good number for building a dynamic and motivated group, which is neither too small nor too large.

Most applicants are attracted to NEST-UP because it has a high profile in Belgium and is well-known. NEST-UP uses social media extensively to raise its profile and has strong partnerships with the press. Personal recommendations and word of mouth are also powerful recruitment tools. The selection process has evolved since the beginning of NEST-UP. Initially there was a jury and interviews with aspiring entrepreneurial teams. The process has now deepened to form a three-day process designed to really judge the strength of the idea being presented. Applicants are also asked to go and find a live client as part of this process.

NEST-UP is publicly funded and the accelerator process is free to selected start-ups. NEST-UP does not take equity in supported companies, it simply asks for commitment of those participating.

NEST-UP will not accept solo entrepreneurs onto its programmes. The minimum size is two persons. They argue that they have taken a lesson here from Venture Capital funding and that as VC funds tend not to invest in sole entrepreneurs this gives graduating firms the best chance of future investment.

Acceleration process

The twelve-week accelerator process has evolved in the four years that it has been operating. The most efficient approach has been found to visualise each week as the opportunity to find a new idea. A process based on lean start-up theory. The process works on a cycle by which the idea is validated each Monday, tested during the week and then peer-reviewed by the cohort as a whole the following Monday. Learning is not only encouraged through coaches to start-ups and learning by doing but also through one-to-one peer-peer learning between members of the cohort through sharing of knowledge and experience.

Each Wednesday there is a coach carousel, which provides access to the whole network of coaches. This enables the start-up to benefit from different perspectives and skill-sets, particularly those pertinent to the idea they are

working on that week, as well as the networks and contacts of the coaches. The coaches are paid for their inputs and for making their networks and contacts available to the start-ups. This removes potential conflicts of interest and encourages coaches to share their knowledge openly.

There is a demo-day each year that attracts 300-700 person audiences depending on location. Importantly, this also attracts strong support from investor partners. For their graduates, NEST-UP organises alumni nights where experience can be shared, contacts made and networks widened.

Through their experience of running the accelerator programme NEST-UP realised that it would be beneficial to initiate a pre-accelerator as a lean start-up mode for the accelerators. They estimated that through improvements to the existing product they could design a six-day programme as a pre-accelerator phase to validate ideas. The operating promise is to become an entrepreneur as quickly as possible whilst spending as little money learning as possible. This pre-accelerator phase now operates around 3-5 times per year. Around one-third of those involved in this pre-acceleration phase will progress onto the accelerator. In addition, NEST-UP have used the pre-accelerator model as a means to enter into collaborations with potential greenfield partners. To date they have run the pre-accelerator in Switzerland, France, Madagascar and Cote d'Ivoire.

In a further development NEST-UP are now offering a post-accelerator phase to those start-ups not yet ready for full investment and are looking for 7-12 months of additional support prior to seeking seed investment.

Mentor network

NEST-UP operates on the principal that it has the same number of coaches as the number of start-ups. The learning process though will vary depending on need. Some sessions involve 1 coach to 20 potential entrepreneurs, whilst for others the ratio is 1:1.

Graduation & follow-on funding

The track record of NEST-UP is strong. To date there have been seven editions with a total of 45 teams participating. Of these, 20 are still active and a further two have been purchased. 23 participants have stopped their activities since graduating from the programme. Around 100 jobs have been created in the active or purchased firms.

NEST-UP estimates that around 60% of participants go on to start-up actual successful companies. The relatively high rate of non-conversions (and company failures) is accepted by the programme (and its funders), as it is working to encourage cultural change in a community that does not have a strong history of entrepreneurship.

A source of some disappointment for NEST-UP is that no company has yet developed the 'hockey-stick' growth profile that is every entrepreneurs dream, however, as the numbers developing companies increase the chances of this occurring also rise. NEST-UP does not provide follow-on funding itself. Partly because it recognises that many companies will not develop fully, but mainly because it does not want to replicate the activities of private venture capital funds.

Conclusions

The success of the NEST-UP process is evident in that the approach has been upscaled to operate in four cities in Wallonia. It is focused on providing services that will promote an economic (and cultural) transformation in Wallonia and to that end accepts that success rates might be lower than if it targeted prospective start-ups with stronger growth prospects but no geographical ties. It also supports prospective firms from a range of sectors, acknowledging the different business models (particularly needs for early pre-financing) that this entails.

NEST-UP is part of a package of activities being operated by Creative Wallonia and should not be viewed solely in isolation. It is as much about promoting cultural change as encouraging new start-up firms. In developing its activities it has evolved to offer both short pre-accelerator and post-accelerator options. The value of its offers are reflected in the fact that it is now invited to run pre-accelerators in locations as diverse as Europe and Africa.

C. FIVER Challenge

Introduction

The Fiver Challenge is a free nationwide enterprise education initiative held in the UK that runs over four weeks each year. It is based on the idea of proving £5.00 (a 'fiver') for young people to invest in profit-making activities. It serves as an important introduction to the world of enterprise education and provides pupils aged 5-11 with an opportunity to develop key skills such as financial education and teamwork skills in a safe environment. It is hoped that it will strengthen the entrepreneurial skills of the next generation.

Since its inception in 2014, the Fiver Challenge has proved to be highly successful with more than 97,000 young people participating. Its popularity is also growing, with student participation increasing by 212% since 2014 across an increasing number of schools. In 2016, nearly 50,000 pupils participated in the Fiver Challenge across 763 schools.

Deal flow (selecting participants)

Teachers and Schools wishing to participate in the Fiver Challenge do so by signing up on the Challenge website. There are no further criteria for selection and participation is on a first-come-first-served basis until the available funds for that year are distributed. Participation in the Challenge is broadly advertised through a variety of media, including:

- Facebook adverts
- Google adwords
- Edited sign up form on website (responsive and easier to complete on mobiles)
- Promotion on Young Enterprise homepage
- Promotion on YE, pfeg, Tenner Fiver social media channels (Twitter, Facebook, LinkedIn)

There is also a very high return rate of schools that participated in previous years and the power of recommendation/word of mouth should not be overlooked.

Acceleration process

The objective is for participants to invest £5 (a 'fiver') to set up a mini-business and create a product or service they can then sell or deliver at a profit whilst engaging with their local community. Young people also have the chance to trade at local events and/or school grounds with the added option of giving the profit to charities or their own school. The programme is based around five key steps:

Box 1 Five Steps for the Fiver Challenge

Step 1 - Here's a fiver!

Each business is pledged £5 from the Fiver Bank. There is a maximum payment of £250 per school/organisation. Funds are limited and are allocated on a 'first come, first served' basis.

Step 2 - Get it going

Working in a group, or as individuals, participants use the start-up capital to get their enterprise off the ground.

Step 3 - Keep it going

Participants have a month to make as much profit as they can from their fiver, whilst also aiming to engage with the local community.

Step 4 - Payback...for the future

At the end of the month, each team works out their finances and repays their £5 pledge, plus a suggested 50p legacy donation to the Fiver Bank so more young people can participate in the Challenge the following year.

Step 5 - Keep the profit

The participants can decide themselves what they would like to spend any profit on - for example, donate their money to a charity or local cause of their choice, activities for school or the classroom, or a school trip or day out.

Source: <http://www.fiverchallenge.org.uk/about-fiver>

To support the process teachers have access to online resources, which explain the challenge and how they can run it with their pupils, including activities for curriculum support and case studies. Pupils have a downloadable workbook to help them keep track of their progress, as well as a logbook which they can use to enter the national competition.

To keep pupils engaged and motivated there are weekly competitions during the month. In 2018, these will centre on:

1. Design your logo
2. Investment pitch to the dragons
3. Advertising your business
4. Pop-Up Shop

Mentor network

The Fiver challenge is operated through the teaching community, supported by online resources produced by the Young Foundation. When asked why they had chosen to take part in Fiver, two thirds of teachers report they were attracted to participate due to Fiver's practical learning-by-doing approach, whilst the introduction to enterprise learning and behavior also featured strongly. A third popular reason was the chance to engage with the local community. Most teacher suggest that they will participate again in future rounds of the Challenge, demonstrating its practical value.

Box 2 Reported Benefits of the Fiver Challenge

1. Practical learning experience (69%)
2. Introduction of enterprise learning and behaviours (59%)
3. Chance to engage with local community (29%)

Source: Young Foundation (2016) Evaluation of the Fiver Challenge

Graduation & follow-on funding

Of 97 projects that provided figures to the Young Foundation the average profit from the initial £5 investment was £123.82. The highest returns reported were £968.08 and £685.46. An impressive return, although this does not take into account time inputs given for free. It is not reported whether any of the supported initiatives continued after the challenge period, but that is not the objective of the initiative.

The real benefits were reported in the progress students made in financial education, numeracy, literacy, citizenship and personal, social and health education (PSHE). As one teacher reported to the Young Foundation's evaluation: "[The Fiver Challenge] provided a motivating and real context for learning, Children worked together much better than normally because they had a shared interest in the success of their group - they also felt more accountable since it was real money they were using, and products purchased by them" (p.9).

Conclusions

The Fiver Challenge is not about the creation of new firms and employment, but rather about raising the skills of young persons and, potentially, laying the foundations for the entrepreneurs of the future. The Fiver Challenge is appreciated, the Young Foundation reports, because it provides an opportunity for pupils to apply classroom-learnt skills in a real life context, and so introduce

the world of work and self-employment awareness at an early age. Their research highlights the positive impact of introducing children to learning new skills from an early age as this forms the foundation for further development. In particular, it offers a safe learning environment to develop entrepreneurship and practice risk taking.

D. InnoOmnia

Introduction

InnoOmnia is a flagship initiative for vocational learning. Centred on Omnia, a lifelong learning hub owned by three municipalities and based in Espoo, Finland, it opened its doors in August 2011. InnoOmnia offers:

- Entrepreneurship support for present/would-be entrepreneurs, mainly from arts and crafts or the service sector
- Work-based/on-the-job learning programs for the vocational education and training (VET) of upper secondary students
- Innovation and piloting for new pedagogy for vocational teaching and learning, e.g. gamification, mobile learning, entrepreneurial teaching methods
- Teacher and school leader professional development for K-12 and vocational sectors

Somewhat uniquely, InnoOmnia forms a community where teachers, students and entrepreneurs 'share the same coffee pot'. All spaces are learning spaces and everyone is both a learner and a teacher. InnoOmnia's development projects pilot different aspects of 21st-century vocational learning, e.g. teaching real-world skills, using mobile technology and cloud-based learning to improve learning outcomes, learning through entrepreneurial projects.

Through its approach, InnoOmnia seeks to address the following educational and social issues:

- Unemployment: how to empower people to make a living through entrepreneurship?
- The poor image of VET: can modern technology, real-world learning, pedagogy and good chances of future employment make VET an attractive choice for young people?
- Training teachers and school leaders about 21st-century learning in VET
- Offering on-the-job/work-based learning opportunities for students, often the first job for a 16/17-year-old
- Making entrepreneurship sustainable and less of a lone journey by offering community support

Traditionally, business incubators have typically been set up linked to universities, whilst innovation and pedagogical development have not hitherto been a part of vocational education. InnoOmnia aims to equip students for the new world of work by co-creating spaces bringing would-be entrepreneurs and students together.

Deal flow (selecting participants)

Everyone joins the InnoOmnia community through an application process. Most entrepreneurs are based in the artisan or service-oriented sectors (jewellery-making, carpentry, app development and driving schools are all diverse examples) and are primarily individuals looking for premises and a supportive environment. Some are professionals with many years of work experience prior to starting a business while others have only just left school and entered the world of work. Most of the upper secondary VET students come from the business and administration program, but opportunities are also open to students from other programs.

Entrepreneurs are selected based on their need for peer and business support, as well as their ability to offer projects and on- the-job-learning opportunities for the upper secondary VET students. Working with students and actively contributing to the community is a requirement of membership.

The municipality and regional advisory services inform entrepreneurs of the InnoOmnia Hub. The Hub itself arranges events, reaches out using social media and co-operates with local entrepreneurs' associations.

Acceleration process

Entrepreneurs accepted into InnoOmnia receive daily community and business support. The realities of a small business are laid out in a tangible way and tackled in community events. As InnoOmnia is an active member of the municipal business eco-system, the flow of people, information and solutions serving a larger community is an effective model to support and develop diverse entrepreneurship skills, with a range of expertise available to advise and support.

Entrepreneurs can also choose to sign up for the Further Qualification in Entrepreneurship. This is a part-time, one and a half-year, program delivered through a series of workshops, typically two days per month plus online sessions. It consists of modules in planning, starting and analysing business plus elective modules in topics such as Product and service design, human resources management, financing your business, franchising, sales and marketing, manufacturing and e-business.

Omnia upper secondary VET students can choose to complete qualification modules by working for or together with InnoOmnia entrepreneurs, applying theory into practice in hands-on projects. This provides clear benefits to the VET

students, but is also beneficial to the entrepreneurs who gain the benefits of new ideas, skills and a flexible labour force at a key stage in the development of their business. Prior to the opening of InnoOmnia, the business and administration program dropout rate was reportedly as high as 50 percent. The flexible, hands-on learning opportunities have since reduced this to close to zero, demonstrating the benefits of the practical approach and, perhaps, assisting students who are keen to start their own business to develop their ideas in the more nurturing environment of InnoOmnia.

Mentor network

The mentor network consists of the internal InnoOmnia community, comprised of the Omnia staff, the VET students and the entrepreneurs engaged with InnoOmnia, plus members of the wider business ecosystem. The external contacts are facilitated both through the networks of the internal community but also the position of InnoOmnia, which is highly respected and lies at the heart of the municipal enterprise and education offer.

Regular surveys and group and one-on-one meetings provide feedback from the entrepreneurs to ensure the community and events are serving their purpose, helping the businesses grow and prosper.

Graduation & follow-on funding

Since opening in September 2011, InnoOmnia reports that it has supported 110 new/would-be entrepreneurs in making their business sustainable. Six hundred students have benefited from on-the-job/work-based learning within the hub or its projects. Seven hundred and forty two teachers and school leaders have been trained in entrepreneurial teaching methods and educational technology, spreading new teaching and learning across vocational education training in Finland. Seven hundred Omnia staff have been exposed to new pedagogy along with 2,700 visitors.

As significantly, over 50 percent of the 9th graders in the region apply to Omnia. The learning environment and pedagogical development have been a significant attraction, particularly since InnoOmnia received a national innovation award in the education sector in 2013.

Conclusions

The InnoOmnia Hub offers support and a guided path for setting up a business and the opportunity for VET students to work with entrepreneurs while studying to see what running a business is really like.

Participation in InnoOmnia is not free for the entrepreneurs. InnoOmnia rents out both office space and multi-purpose creative space to entrepreneurs. This demonstrates the value that participating entrepreneurs place on the initiative and the exposure to external ideas that it provides. However, there is no specific charge for the services and support provided, although the notion of reciprocity is strongly present in that there is an expectation that members of the community provide support and opportunities as well as receive support.

E. Welsh ICE

Introduction

Welsh ICE (Innovation Centre for Enterprise) is an enterprise hub located in Caerphilly, Wales. It was established in 2012 and offers co-working spaces, office space, meeting room hire and training and support packages for nascent businesses and entrepreneurs.

Welsh ICE has grown incrementally over the past five years and currently has a core staff of 10 managing some 27,500 sq feet of office space. The team also draws on a network of mentors and contacts with varying expertise from across South Wales. Its aim is to promote the growth of businesses in Wales and to support the creation of new and better employment opportunities in the economy.

The client base

As an Enterprise Hub, Welsh ICE offers a variety of services to a broad client base. Funded by public sector programmes and private partners, it provides a broad package of support aimed at different types of entrepreneur.

Founders are those who have ambitions to create a new substantive business with many employees. These businesses may deliver a service, or a product, and could be in any sector. ICE isn't just for start-up companies, they also welcome established companies into the community. Locating in ICE provides the infrastructure to help a firm scale up and back down if needed, based on live projects and the size of their team, (without having to notify clients and the wider world of a new address, or telephone number). Membership is fully inclusive, so firms receive a single bill for all of their office costs. Eligible firms can also receive support towards these costs from public programmes.

Freelancers are those who just want to work for themselves. ICE describes them as an incredibly important part of the community, providing the expertise, resource as other ICE members grow, and collaborating with other freelancers to achieve more together. ICE offers the opportunity to get started in shared co-working space and serviced offices, or by coming in one day per week to develop the idea and offering.

Of course, not everyone needs a full-time, dedicated desk space or office unit for their business – especially if they're on the road a lot or also work from home. Having a virtual office at ICE enables companies to still be a part of the community and enjoy the benefits and support that ICE offers. Virtual

Membership includes:

- A landline telephone number
- A registered office address
- Mail handling
- Call handling
- Occasional (one day per week) desk use in co-working spaces
- Access to mentor support

Welsh ICE also operates training programmes for those looking to start their own businesses, or to kick-start an existing idea. Budding entrepreneurs are encouraged to apply for their pre-start Accelerator. This is open to businesses across Wales that can outline an ambitious growth strategy, with the aim of creating at least 10 jobs and turning over £2m, in its first three years. Applicants are also assisted in identifying opportunities in international markets, with the aim of generating 30% of their revenue through export.

Not all budding entrepreneurs are able to explore their idea full-time though. They may have other responsibilities that they can't just give up for the dream of their own business. The 5-9 Club is a free 12-week structured after-hours course designed to support aspiring business owners through the early stages of enterprise. The sessions run every Thursday evening over 12 weeks with specialist mentors, workshops and industry experts offering support at every stage.

Acceleration process

Welsh ICE offers an acceleration programme that provides practical support to businesses:

- Board Meetings - Once a month, the firm is accountable to the board, comprising of peers, experts, and members of the local start-up community. Welsh ICE provide a chair, and a CxO, who has relevant industry expertise.
- Masterclasses and workshops – agreed between the firm and delivered by experts, to help develop knowledge and skills to hit the milestones set.
- Peer support – other founders provide their own expertise and insight, promoting collaboration, as well as healthy competition.
- Trade – where appropriate, Welsh ICE helps create trade opportunities for firms to reach new markets and test their concept with potential customers, including access to trade missions.
- Expertise – ongoing support and guidance is available from experts – fundraising, prototyping, gaining customers, building the team, researching the market, testing the idea, developing a resilient business,

exporting.

On a practical level, over the three-month programme, each delegate benefits from:

- 6 half day workshops
- 3 mastermind board sessions
- 3 review sessions; and
- 3 trade missions.

The pre-Accelerator work of Welsh ICE is designed to get a business idea to the next step of its journey. It is a pathway to more intensive support offers. Thus the success metrics of the programme are not in terms of employment created or firms established but fall into two key objectives for the delegates:

- Effectively and eloquently “pitch” live in front of a panel of real investors
- Demonstrate eligibility and suitability for Business Wales Accelerated Growth Programme (a national accelerator programme).

Mentor network

Welsh ICE is able to draw on a network of professional contacts who provide advice and mentoring to hopeful new businesses. These range from individuals to highly respected local and national firms with a specialist expertise in law, finance, intellectual property and the myriad other fields relevant to the needs of particular businesses. Significantly, the ethos of Welsh ICE lays great store on the support and mentoring that can be provided by other firms and start-ups in the community. Often, this peer-to-peer mentorship can prove to be most effective, with external technical expertise being drawn in to provide knowledge for particular topics or problem solving.

Outcomes

Since its launch in 2012 Welsh ICE has supported more than 160 businesses, contributing an estimated £13.8m to the Welsh economy. An evaluation of Welsh ICE (CM International, 2016) estimated that public sector investments since 2012 had achieved a return on investment of 8:1, three out of four companies had launched new products or services, 96% of companies were working on new ideas and, in the 150 companies supported 216 new jobs had been created (net of founders and founding employees) of which 85% could be attributed to actions of Welsh ICE.

In terms of the pre-accelerator programme, whilst it is early days the signs are

encouraging:

- 12 candidates started the first programme and 11 completed
- 9 of these have delivered investment pitches (82% success rate).
- 5 are currently in direct discussions with investors
- 1 has received seed funding and has sales
- 1 has obtained funding from Finance Wales
- 1 is fully registered on the Business Wales Accelerated Growth Programme

Conclusions

Welsh ICE is an initiative which took on vacant quality office space in Caerphilly and has developed a successful offer supporting entrepreneurial start-ups in one of the more disadvantaged areas of South East Wales. They offer a variety of services that have evolved incrementally over time. Their offer is tuned to the needs of their prospective client and this is a key element in their success.

A second aspect of the success of Welsh ICE is their integration into the wider ecosystem for entrepreneurship in Wales. This includes developing close links with policy-makers and with key business actors, whether these are possible investors or offer services, such as accountancy or law, that are of value to the ICE community.

Significantly, much of the value of the ICE offer is to be found amongst the community itself. Advice from peers is valued as, if not more, highly as that from professional and publicly-funded sources. Building the community lies at the heart of the success of ICE.