# Introduction

The purpose of this document is to provide an overview of best experience from the EU participating countries in the SMART project regarding finance of innovation and start-ups as well as the practice of incubating and accelerating start-up entities. The report provides a short introduction on the economy of each one of the participating EU countries, an overview of the start-up ecosystem in each one of them, a refence to funding mechanism and a presentation of a number of Best Practices in each country. Finally a list of contacts with mentors and coaches that can be potentially used by the EaPC partners is provided per country.

# 1.Best practice from Greece

## 1.1. Greek Economy

Greece is a developed country (OECD high income) with a population of 10,746,740 and a labor force participation rate to around 52%[[1]](#footnote-1). Greek economy is based mainly on the service (80.2%), industrial (15.8%) and agricultural (3.9%) sectors and ranks at the 48th place in a global scale with an annual gross domestic product (GDP) of $192.691. The country holds the 39th and 48th places globally for nominal GDP per capita and purchasing power parity per capita, respectively. The most important industries in Greece are tourism and shipping[[2]](#footnote-2).

According to the World Economic Forum, the country ranks 87th out of 137 countries in the Global Competitiveness Index 2017-2018[[3]](#footnote-3) and ranks at the 67th place in the ‘Ease-of-doing-business’ report of the World Bank in 2018[[4]](#footnote-4). Unemployment rate in Greece was 21% in 2017, with a record high of 28% in 2013[[5]](#footnote-5).

Internet penetration is about 69% with the average Internet speed about 8Mbps through land-line connections and 11Mbps through mobile connections. 68,57% of the Greek households own a computer and 68.07% of the households have Internet access (ITU). The country ranks 36th in the world in terms of ICT development[[6]](#footnote-6).

Over of 80% of Greek businesses are small in terms of turnover and employed members: over 85% of businesses have no more than five employees[[7]](#footnote-7).

## 1.2. Greek Startup Ecosystem

Most Greek startups are located in Athens, the country’s capital city. Athens holds the 56th position among 60 cities in the European Digital City Index, with the 53rd position in access to capital and 60th in early stage financing indicators respectively[[8]](#footnote-8).

Greek startups are usually founded independently (74,3%), and most of them at their early stage (57.1% of them being less than one year) remain at a seed-capital level (48.6%). Growth rate of Greek startups is 8.6% (compared to 23.7% European average), while the country’s startups with a female founder rank at the second (28.4%, compared to the European average of 14.8%). Greek startup founders (57.1%) are typically 25 to 34 years old, form their startups in teams (94.3%) of 5.5 people on average (including employees as well as founders) and only 13.3% of them had already started one or more business ventures previously (compared to 45.8% EU average). Greek founders mainly use their own savings to run their company (42.3%), with only a 36% of Greek startups having received external capital (mostly in the range of €25,000-€50,000). Almost all Greek startups (92%) plan to raise external capital in the future. Greek startups are usually focused on the Industrial Technology / Production Hardware domain (17.1%), having a ‘B2B with some B2C’ business model (20%). The newly founded companies sell their products/services predominantly to the domestic market (52.8%) and present an average revenue of about 50.000€ annually (71.5%)[[9]](#footnote-9).

More than 200 million euros have been invested in Greek startups during the period 2010-2016, with almost 100 million euros in 2017[[10]](#footnote-10). Two of the biggest startup exits were that of Taxibeat’s and Innoetics, for a combined total of almost €80m.

Notable Exits: Crash reporter for mobile phones BugSense (acquired by Splunk in September 2013), native mobile adtech company Avocarrot (acquired by Glispa Global Group for €18M in September 2016), and Solid Iris Technologies (acquired by Altair in September 2016), a company specializing in photorealistic rendering and visualization.

Notable Scale-ups: Cloud-based recruitment platform for SME companies Workable (raised €31.8M), taxi-booking app Taxibeat (raised €6.3M), which has a dominant position in the Greek market, food-tech startup Forky (raised €2.4M), and Intale (raised €2.7M), a sales analysis and market insight advisory services platform for retail businesses.

## 1.3. Funding mechanisms in Greece

JEREMIE (Joint European Resources for Micro to Medium Enterprises) is a joint initiative of the European Commission (Directorate General for Regional and Urban Policy) and the European Investment Bank Group, mainly through the European Investment Fund (EIF), to enhance cohesion across the EU. During the 2007-2013 programming period, JEREMIE allocated approximately €55M to four programmes, two early-stage seed funds - Openfund and PJ Tech Catalyst Fund - and two later stage funds – Odyssey Venture Partners and Elikonos JEREMIE Sicar. These funds managed €72M in total and invested in approximately 60 companies.

JEREMIE’s financial resources have been deployed through selected financial intermediaries across the EU, which have provided loans, equity and guarantees to SMEs. The JEREMIE funds comprised of public and private (banks and other private investors) co-financing in a 70/30% ratio.

JEREMIE’s investment period ended at 2016 and resulted in more than 80 funded technology companies accompanied by new co-working spaces, accelerators, incubators and competitions. The funding process continues with the newly established mechanism of EquiFund, that will bring €260M into the Greek market.

Some of the most notable funding companies in Greece include the following:

- Elikonos Jeremie SICAR (JEREMIE) and Elikonos 2 S.C.A. Sicar (EquiFund). The fund has allocated €17M in more than 10 companies, with notable exits.

- Synergia Hellenic Growth Fund IV (EquiFund), a private equity fund focusing on lower mid-market investments in Greece

- Marathon Venture Capital Mutual Fund (EquiFund), a venture capital fund focusing on seed stage ICT investments in Greece.

- Venture Friends Fund (EquiFund), a fund focusing on seed and Series A stage technology companies in Greece

- UniFund AKES (EquiFund), an accelerator fund focusing on pre-seed and seed stage high-tech companies in Greece

- Metavallon Fund (EquiFund), Accelerator fund focusing on pre-seed and seed stage ICT companies in Greece

- Openfund (JEREMIE), αν early stage technology fund which has invested more than €16M between 2009-2016 in more than 40 companies.

- PJ Tech Catalyst Fund (JEREMIE), a VC vehicle of Piraeus Bank, which has invested around €15M in 21 companies, including.

- Odyssey Jeremie Partners (JEREMIE), with a total of €26,5M investments in more than 12 companies.

- NBG Business Seeds, an initiative by the National Bank of Greece with €15M under management, of which €6.2m have already been invested.

Other similar initiatives include startup pitching competitions with small grant schemes mostly based on Corporate Social Responsibility activities. Such competitions include the Hellenic Entrepreneurship Award offering up to €1.2M, the Ιnnovation and Technology Competition by National Bank of Greece, ‘Beyond Hackathon’ and ‘Greece Innovates’ competitions by Eurobank, the MIT Enterprise Forum Greece Startup Competition, the Startup Greece Awards, the BlueGrowth startup competition, among others.

## 1.4. Incubators/Accelerators List from Greece

Ultimately, the lack of very early stage support for first-time entrepreneurs, through holistic acceleration programmes, has significantly delayed the growth of the Greek startup ecosystem. Yannick Roux of London-based EC1 capital recently published an analysis18 showing that in 2016, 18% of all European series A rounds were raised by startups that at one point went through an accelerator or incubator programme

Endeavor’s survey also shows that 41% of students rate as medium the preparation that they receive from their universities for entrepreneurship. The Greek startups’ cooperation with established companies is ranged at the lowest end (58.6%), but the cooperation with other startups scores higher compared to other ESM countries.

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| *Name* | **Metavallon** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece and South East Europe |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Training and seed (and pre-seed) VC funding. Services include growth hacking, networking and market alliances, recruitment services, office space. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Transportation, energy, aviation, logistics, agritech and food, fintech, maritime, retail, healthtech. |
| *Brief description of key training activities* | There is a 3-month acceleration process designed to help startups gain traction through unique pilot opportunities, guidance for rapid iterations, and increasing international exposure. This is accompanied by a seed capital investment. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Metavallon the social organization was founded in 2011 with the goal to cultivate through capacity building the missing framework and opportunities around technology entrepreneurship in Greece and the region. Metavallon combines the acceleration with the rigor and potency of venture capital with a total of €32 million fund with the mission to invest in and actively advance pre-seed and seed technology companies (Equifund). |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <http://metavallon.vc/>  <http://metavallon.vc/contact-us/> |

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| *Name* | **Starttech Ventures** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Starttech Ventures is an experienced early stage investor and incubator. They provide startups with all the necessary infrastructure to help them gain momentum and grow. They focus on investing in tech businesses and helping them to scale up with investments in capital, talent and entrepreneurial drive. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Software engineering startups |
| *Brief description of key training activities* | The incubator gets startups from a pre-product/pre-revenue stage to successfully closing a Series-A round or achieving sustainable profitability. It aims to be a companion along the startup’s journey from prototype to scale up. It embraces agile methodologies for startup product development and focuses on startups with a specific major market (industries/countries), or a broader international market. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Private company, own funding. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <https://www.starttech.vc/contact/>  Headquarters  Starttech Ventures  315 Montgomery Street, 9th Floor  CA 94104  San Francisco  R&D Center  Starttech Ventures  Lykourgou 1, 1st floor  105 51  Athens – Greece  Tel: +30 211 800 1709 |

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| *Name* | **VentureGarden** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece and South-East Europe |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | VentureGarden is a comprehensive educational and training process for entrepreneurs that want to develop their skills, gain access to a continuously growing entrepreneurial network and receive hands-on training. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | ICT |
| *Brief description of key training activities* | VentureGarden is a personal guide to entrepreneurship. It provides the training and support to help early startup teams develop the knowledge, skills and network to boost their business.  Stage 1: Learn, Learn, Learn (1.5 months)  An intensive and focused training period that will introduce the teams to the key elements of entrepreneurship and stimulate your curiosity for more. VentureGarden's training courses are based on the Business Model Canvas and each class reflects one of its elements.  Stage 2: Prepare for Growth (6 months)  After finishing the intensive learning period, it is time to venture ahead and apply the learning outcomes to your business. To proceed to Stage 2 of VentureGarden, participants will have to present their Roadmap prepared during Stage 1. They will be evaluated based on their commitment to and completeness of their plan.  Stage 3: Boost your Growth (6 months)  Once participants have completed Stage 2 and have achieved their goals, they will be able to choose the next and most appropriate step for growing their businesses. VentureGarden provides the teams the opportunity to prepare for the incubator, accelerator, competition or investor of your choice. Teams may choose to continue with VentureGarden's mentors for another 6 months. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | VentureGarden is the result of co-creation by two leading educational institutions, ALBA Graduate Business School at The American College of Greece in Athens and Anatolia School of Business of The American College of Thessaloniki in Thessaloniki, with the support of The Hellenic Initiative. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | http://www.venturegarden.gr/en/home  Athens  ALBA Graduate Business School  at The American College of Greece  6-8 Xenias Str.,  115 28 Athens, Greece  Tel.:+30 210 8964531-8  [athens@venturegarden.gr](mailto:athens@venturegarden.gr)  Thessaloniki  Anatolia School of Business at The American College of Thessaloniki  P.O.Box 21021 555 10 Thessaloniki, Greece Tel.: +30 2310 398347 [thessaloniki@venturegarden.gr](mailto:thessaloniki@venturegarden.gr) |

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| *Name* | **Stage2** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | StageTwo offers a structured symbiosis to startup and innovative SME teams, combining investor readiness with professional evaluation and consulting that is focused on go2market, business incorporation, customer development and post-bootstrapping funding. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | ICT |
| *Brief description of key training activities* | Stage2 is a focused acceleration program emphasizing 1) market strategy and 2) access to finance. Teams should expect to leave the program at an advanced stage, ready to capitalize on their prototype/launch efforts and approach qualified investors. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Stage2 is offered by Innovation Farm and Atlantis Research. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <http://stagetwo.innovationfarm.eu/>  phone:  2310 531000 , 6974 031424  email:  stagetwo@innovationfarm.eu  address:  9th km Thessalonikis - Thermis |

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| *Name* | **i4GPro** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece, South-East Europe |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | i4G, the first private Incubator in Greece launched i4G PRO (Professional) Pre-Incubator. The 15 years of experience, the number of Startups supported and the international projects completed are the incubator’s solid foundations for the future. The incubator connects the companies to mentors, clients and investors, it invests in early-stage companies and young talents and links startups with the academic community. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | ICT |
| *Brief description of key training activities* | The incubator offers a fast track 3-month Entrepreneurship Training (ET) program providing future entrepreneurs with the necessary knowledge and skills to develop their idea further and successfully launch it to the market.  The ET program is separated in 3 pillars:  "FLIGHT" TO THE FOREST  -Entrepreneurial Thinking  - From Idea Generation to Idea Validation  - Business Planning & Business Canvas  - Team Building  PUSHING THE BUTTON  - Fund raising 101  - Legal & Accounting Basics  - Competition & Market Analysis  - Budgets & Forecasts  THE COMMUNICATOR  - Sales & Marketing Techniques  - Leadership & Negotiation  - Networking & PR  - Presentation Skills & Pitching Tips  Each week, a 2-hour course takes place including case studies, videos, games, role playing, creative exercises, exposure to entrepreneurs, and free office hours with professionals from various fields. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | I4G, privately held. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | https://www.i4gpro.gr/contact/  Phone  +30 2310 265 444  Email  pro@i4g.gr  Address  154 Egnatia Ave.  54636 Thessaloniki  TIF complex, Building 1 |

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| *Name* | **ΟΚ!Τhess** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece, South-East Europe |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | OK!Thess provides space and technical support to teams of people with innovative ideas helping them to Validate a Business Model Fast, and to Meet, Mix and Connect with like-minded peers.  Processes that contribute to turn initial ideas to viable proposals: These include mentoring, seminars, competitions, training, social events promoting creativity and innovation, as well anything else that can contribute to promoting innovation at large but also of selecting the promising ideas that are worth promoting.  Infrastructures: These support the processes just described and also give startups the opportunity to be “tried out”, for many of them to survive the test before they become investment-ready or able to move on to further development.  “Destinations”: The end of the line process is the investment in the ideas that are investment-ready. Although this is an individual endeavour, attracting investment capital to the city is part of the function of the ecosystem. Matching successfully the best ideas with investment capital is a core characteristic of the ecosystem – its reputation is predicated on the quality of the investment ideas. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | ICT |
| *Brief description of key training activities* | Connecting teams with mentors: Some 30 meetings of mentors and teams are foreseen each year aiming to have startup teams adopted by mentors. For the purposes of the note, mentoring is defined as the frequent (idealy weekly) interaction of a team with a person who has specialist knowledge of the market targetted by the team. For very innovative ideas in which the market is either ill-defined or does not exist more generic mentors are identified. The team matures through interaction with the mentors and either ramps up development or gives up as soon as possible if the idea is not economically feasible – a speedy resolution in either direction is highly desirable.  Specialist Training: Specialised seminars in developmental skill which are aimed both towards the design and the implementation of each venture. 300 hours of specialist training are envisaged for each year. Three acceleration cycles are envisaged for each year with the participation of 10 teams in each. Based on a programme of 13 weekly individualised sessions, each team should be in a position to bring its business model to a level that can be presented to investors.  Cooperative Technical Events: OK!Thess addresses the broader ecosystem in the region and aims to cooperate with other bodies which may have a specific technical orientation or geographical coverage to organise jointly events such as bootcamps, speed dating etc. Some 6 such events are envisaged on an annual basis.  Supporting Events: It is envisaged that the evolving innovation ecosystem will also engender scientific events with speakers of international standing, validation events of an interactive nature where the public participate giving valuable feedback to teams that present their idea in demo days, but also demo days (pitching events) presenting teams from the broader region to investors. Some 10 such events are planned on an annual basis. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Municipality of Thessaloniki, Alexander Thessaloniki Innovation Zone, Alexander Technological Educational Institute of Thessaloniki, Aristotle University of Thessaloniki, University of Macedonia, among others. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | https://okthess.gr/en/contact/  OK!THESS  Address: Komotinis 2, 54655  Entrance from: Kidonion & Maria Kallas  Thessaloniki, Greece |

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| *Name* | **Athens Center for Entrepreneurship and Innovation-ACEin** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Greece, South-East Europe |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | The Athens Center for Entrepreneurship and Innovation-ACEin is the incubation center of AUEB offering support to researchers and potential young entrepreneurs in order to develop innovative business ideas and bring them to the market. ACEin puts significant effort in supporting students pursuing either undergraduate studies and executive master’s or doctoral degrees and researchers who wish to turn their innovative entrepreneurial ideas or scientific research results into a sustainable business model and subsequent start-up company. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | ICT |
| *Brief description of key training activities* | Τhe Centre helps the new ventures to develop their ideas and to move from the stage of idea in developing the concept and exit to market progress, while increasing the chances of success through constant interaction with the market. This process of progress, development and maturation of each new business idea for a product / service indicates that each group requires a different approach to teaching, mentoring, support services and networking activities. The approach used to provide such support actions based on multiple levels by the process of development and maturation of business forms. Distinguished the following main stages of the idea / maturity group (based on the Lean Startup methodology):  Stage 1: Development of business concept / model  Stage 2: Concept Imprinting and first feedback from market  Stage 3: Develop concept and subsequent feedback from the market  Stage 4: Final preparation to exit the market  Stage 5: Launch and development |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Athens University of Economics and Business, Municipality of Athens, |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | Athens Center for Entrepreneurship and Innovation,  Athens University of Economics and Business  46 Kefallinias str, 112 52 Athens  Tel.: +30 2108203827,+302108203829  E-mail: acein@aueb.gr |

## 1.5. List of mentors who may potentially be engaged from Greece

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| --- | --- |
| Name | Argyris Spyridis |
| Affiliation | Stage2 co-founder |
| E-mail | aspys@innovationfarm.eu |

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| Name | Adriane Thrash |
| Affiliation | Stage2 co-founder |
| E-mail | adrianethrash@gmail.com |

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| Name | Tramantzas Costas |
| Affiliation | Project Manager at OK!Thess |
| E-mail | tramantzas@thessinnozone.gr |

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| Name | Theologis Prokopiou |
| Affiliation | Manager at i4GPro |
| E-mail | theo@i4g.gr |

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| Name | Sotiris Siagas |
| Affiliation | Mentor and Manager at i4GPro |
| E-mail | sotiris@i4g.gr |

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| Name | Vasilis Tsoulis |
| Affiliation | International Faculty of the University of Sheffield, CITY College/ Young Entrepreneurs of Thessaloniki |
| E-mail | aspys@innovationfarm.eu |

# 2. Best practice from Spain

## 2.1. Spanish Economy

Spain is an OECD high-income country with a population of 46,443,959. Spain’s economy is the 5th largest in the European Union, and is found in the innovative-driven economic development phase. According to the World Economic Forum (WEF), Spain ranks 34th out of 137 countries (4.7 points out of 7) in the Global Competitiveness Index 2017-2018[[11]](#footnote-11).

Spanish Economy Progress Report in 2017[[12]](#footnote-12) states that the Spanish economy has shown an increase in the GDP registering, 3.2% growth in 2016, which is almost double that of the Euro Area (1.8%). The main driver of growth in the Spanish economy is the national demand. The contribution of domestic demand was positive for the third consecutive year, contributing 2.8 points, and net external demand contributed 0.5 points, after two consecutive years of negative contributions. In this way, in 2016, both national demand and net external demand recorded positive contributions to GDP growth, for the first time since 2000. As for the components of national demand, in 2016, private consumption had an increase of 3.2%, driven by the favorable performance of families' real disposable gross income, favored in turn by the notable creation of employment, as well as by the containment of prices and the improvement of consumer confidence, in a context of favorable financial conditions. On the one hand, with respect to the labor market, the Labor Force Survey (EPA) indicates that the average number of employment increased by 2.3% and unemployment decreased 11.2% internally and is stood at 18.8% of the active population. On the other hand, the Consumer Price Index (CPI) was 1.9% in 2016, seven tenths less than the previous period. Besides, Spanish economy growth has been accompanied by the correction of the external imbalance. The Balance of Payments (BOP) of the Spanish economy generated financing capacity in 2016 against the exterior, for the fifth consecutive year, for an amount equivalent to 2.1% of GDP, and being higher than value recorded in 2015.

The main sectors of industry are agriculture, manufacturing industry and services[[13]](#footnote-13). Agriculture contributes to around 2.3% of Spanish GDP and 3.9% of total employment; the manufacturing industry contributes to 16.1% of GDP and 19.5% of total employment; and the tertiary sector contributes to 67.2% of GDP and employs over 75% of the population. Within the tertiary sector, Tourism represents Spain's largest source of income, as the country is the third most popular tourist destination in the world after France and the United States. Spain’s construction sector also contributes to GDP (5.1%), staying stable since 2014.

## 2.2 Spanish Startup Ecosystem

There are 3,258 startups in Spain in 2017, which represents an increase of 20% with respect to the previous year[[14]](#footnote-14). The largest number of startups are located in Barcelona (34%) and Madrid (31.5%) which capture about 780 million of investment in total, being 45% higher than in 2016. Valencia and Bilbao have also shown an increase in the number of startups and represent 5.5% and 3% of the total pool of startups in the country respectively. With respect to the average amount of capital invested per operation, Spanish startup ecosystem has grown from 1.8 million in 2016 to 3.6 million in 2017, where companies such as Glovo, Cabify, Verse, Fintonic or Typeform have managed to successfully close investment rounds of 10 million during the last year.

According to the European Digital City Index 2016[[15]](#footnote-15), Barcelona holds 9th position among 60 cities, with the 7th position in the amount of seed and startup funding raised and the amount of business angel funding, although holding 35th position in time and cost associated with doing business. As for highly successful digital companies, Barcelona holds 9th position in the number of startups of billion-dollar valuation.

The Europe’s private equity, venture capital, infrastructure sector, and investors association, called Invest Europe, states that the scope of the startups in Spain is knowledge-based business oriented towards the e-commerce, mobile telecom, gaming, and software. The main drivers of the startup development in the technology is that Spain is the unique European country that has two technological hubs in its territory, which, at the same time, are among the ten best ecosystems in Europe. Specifically, Barcelona occupies the 5th position, while Madrid is in 9th place[[16]](#footnote-16).

The employment in the startup ecosystem has been investigated by one of the largest online community of startups and investors in Spain, Startupxplore[[17]](#footnote-17), running a survey of 500 Spanish startups. Comparing to 3,781 new jobs created in 2015, results showed that startups have become an important source for job creation, since the increase in the following years is expected to be around 85% reaching 7,010 of new jobs. Results of the study also highlight the scarce presence of women in the creation of startups, being only founders in 3 out of 10 of these new companies. In addition, 85% of startup entrepreneurs are under 45 years old and 6% are at most 24 years old individuals. Finally, the common feature among these founders is that in 7 of every 10 cases have a technical profile.

Below are two good examples of startups created in Spain:

* eDreams

eDreams is an online travel agency born back in Spain in 1999 during the boom of Internet companies and did not explode with the dotcom bubble of 2000. Its business model has been able to attract venture capital funds of Permira and Ardian. The financial support of these companies was used to buy also Opodo from Amadeus, one of the most successful Spanish technology companies internationally, and the French metasearch, Liligo. This company quotes now on the stock market and has become the most powerful company in Europe. It currently has 14 million customers, 1,600 employees and is present in 42 countries making it similar to the US global giants such as Princeline (Kayak), Expedia (Tribago) and Orbitz, even with China's Travelocity.

* Softonic

Softonic emerged in Spain in 1997, as the end-of-career project of a Technical Engineer in Computer Management and Information Systems Engineer. The objective of the company is to create a platform for the installation of guarantee programs in view of the large amount of malicious software. Currently, Softonic is the leading website for software downloads in Europe and Latin America and has five offices located in Barcelona, ​​Madrid, San Francisco, Shanghai and Minato-ku. In 2010, it was awarded the National Young Entrepreneur Award. The company manages more than 80 million downloads of programs per month, has more than 62 million users, and offers more than 100,000 titles of software for Windows, Macintosh and mobile phones in ten languages​. Softonic was launched in 2000 as an independent website and it became the first portal in Europe in software distribution.

## 2.3. Funding mechanisms in Spain

Spain has a set of funding mechanism commonly used in the Europe and overseas. They are as follows:

* Business Angels

Business angels are private individuals who provide their own financial resources to the startups with high potential growth. The main purpose of the investment is the increase of the firm value to benefit from its future resale. In addition to providing capital, business angels, who usually have experience in leading firms, also help the entrepreneur to develop and manage the firm and put in contact with other external investors, that is too valuable for the nascent firm.

According to a pioneer study carried out by the Spanish Network of Business Angels (ESBAN) in 2008, with the collaboration of the Ministry of Industry, the accumulated investment capacity of the business angels was 427 million € approximately, and the highest investment was 3,500,000 € while the lowest was 6,000 €[[18]](#footnote-18). The sectors preferred by the Spanish business angels for their investments are the following: the technological sector, companies related to computing or telecommunications, biotechnology, energy sectors, renewable energy and health, and after these the commerce and services sector. European early stage investment market is currently close to 10 billion €, where more than two thirds of the total investment is made by business angels and that has shown a growth of 8.3% from 2013. It is worth mentioning that the business angels are used to operate through the associations or networks and refuse to make independent investments.

Here are some examples of business angels associations:

* European Trade Association for Business Angles, European Trade Association for Business Angels, Seed Funds and other Early Stage Market Players (EBAN). It is a non-profit organization that represents the interests of business angels, business angels’ networks and network federations, funds that invest in the launching stages and creation of a company and other entities that participate in this type of financing. It was created in 1999 with the collaboration of the European Commission by a group of angel investors pioneers in Europe, with the help of the European Association of Development Agencies (EURADA).
* Business Angels Europe (BAE) represents all business angels associations in Europe and connects the main networks of the different European countries.
* Spanish Association of Business Angels Networks (AEBAN). It is an independent and non-profit association that associates the main 26 Spanish Business Angels Networks. AEBAN statistics show that in 2013 there were 400 investors and 20 million euros of financial resources of investment. It was established in 2008 and aims to promote the activity of business angels and their networks in Spain, to contribute to research and development. AEBAN is a member of EBAN, as the Spanish National Federation of Business Angels Networks.
* At the regional level Spain counts with public bodies. On the one hand, the Catalan Agency for the Competitiveness of the Company (AACIÓ), which gives support to small Catalan companies. On the other hand, Barcelona Activa is an organization that implements the economic promotion policies of the Barcelona City Council integrated in the area of Economy, Business and Employment. As well, Madrid Emprende, created in 2005, is the brand under which the Madrid City Council develops its business promotion activities, such as the promotion of entrepreneurial talent, the improvement of business infrastructures, support for innovation in SMEs and the promotion of foreign investment. It collaborates with administrations, universities, large companies, business schools and other entities.
* National Innovation Company (ENISA). Established in 1982, is a public company that depends on the Ministry of Industry, Energy and Tourism. It was created to promote the creation, growth and consolidation of the Spanish company, participating actively in the financing of viable and innovative business projects and in the revitalization of the venture capital market.
* Isabel la Católica Fund (EAF). It is the representation of a pan-European initiative, European Angels Fund (EAF), in Spain. Its objective is to promote and support international collaboration between business angels and family offices. It works jointly with the business angels, expanding its investment capacity in Spain, co-investing with them in companies in seed, early stage or expansion phases. It does not interfere in decision-making or in the management of investments.
* Private Equity and Venture Capital

Private Equity is the temporary investment of private capital by specialized entities in unlisted companies, seeking to create value of these companies and Venture Capital as a type of Private Equity aimed at startups (see EVCA[[19]](#footnote-19) and ASCRI[[20]](#footnote-20)). Private Equity and Venture Capital are funds that invest the capital, which has been obtained from insurance companies, pension funds, banks or savings accounts, and is available to manage. Private Equity invest the capital in larger companies and with a longer investment horizon (between 5 and 8 years), while Venture Capital invest in startups and with a shorter time horizon of investment (a couple of years on average, depending on the project). Once the expiration of the investment arrives or the company has achieved its objectives, the investors of these funds disinvest; sell their investment, which often coincides with the inflow of larger funds in the social capital of the company. The surplus of the sale is shared between the investors who put the capital and the members of the fund that managed the invested capital.

* Crowdfunding

It consists in financing a specific project, which may be the creation of a startup or the organization of a specific event through small contributions from a large number of individuals, or investors by means of Internet platforms and without the need to resort to financial intermediaries.

There are different models of crowdfunding according to what investors expect to obtain in exchange for their capital and depending on the type of project being financed. First, there are humanitarian projects and those related to the world of art, where investors usually have a philanthropic profile and do not expect a direct and personal return of the invested capital. This modality is known as "patronage". Second, the crowdfunding as a loan, which will have to be repaid with a higher return or has a high interest rate. Third, in the reward-based crowdfunding investors receive compensation in exchange for their capital. For example, if the project is a film, appear as a collaborator in the realization, or receive an invitation to the premiere, or a copy of the original script, the opportunity to meet with the creators of the project, etc. By its part, if it is a consumer product or technology, the compensation could be the possibility of acquiring it before it is marketed, or at a better price. Fourth, in the equity crowdfunding the investors become partners, obtaining shares in exchange for their capital. It is organized into platforms that put investors in contact with projects that seek financing; platforms in which several investors participate and create a fund that invests in different projects.

* 3Fs

When seeking funds for the entrepreneurial venture, the entrepreneur goes first to the closest and known to him people. The "3Fs" refers to the capital of family, friends and fools who trust the project of the nascent firm from the first moment. Money borrowed from family and friend tends to exclude an interest rate on the loan and to have no fixed repayment date, which leaves loaner and borrower without set expectations and make difficult the repayment request, while borrowing funds from the fools is less flexible and the loaner always recovers the capital.

* National and European programs and institutions

In the national arena, Law 14/2013, of September 27, the law to support entrepreneurs and their internationalization, establishes a set of incentives and helps for the entrepreneur. It establishes a set of fiscal incentives, among which there are tax incentives for investment of benefits (Article 25), tax incentives for research activities and development and technological innovation, tax incentive for income from certain intangible assets and to the creation of employment for disable workers (article 26). Also, tax incentives for investments in new or newly created companies (Article 27) and reductions in Social Security payments applicable to self-employed workers (Article 29). Other benefits for entrepreneurs derived from this law are the creation of "Entrepreneur Service Points" that are responsible for facilitating the effective start of companies through the provision of information, documentation processing, advice, training and financial support (Article 13).

At international level, the European Investment Bank borrows funds in the capital markets and lends them at a low interest rate to certain projects. Together with the European Commission and the European Investment Fund it have been launched an initiative to improve access to finance for SMEs and startups in the less developed regions of each member country, called "Joint European Resources for Micro to Medium Enterprises" (JEREMIE). The part of its structural funds is used to provide capital to these companies in terms of participations or investments of risk capital, and loan guarantees.

## 2.4. Incubators/Accelerators List from Spain

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| *Name* | **Mola** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Global.  Spain, Latin America, Europe, North America. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Workspaces, technology development, design and marketing, human resources, financial, fiscal and accounting advice, and business development. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Projects focused on the Internet and technologies. |
| *Brief description of key training activities* | The set of instruments offered by Mola to minimize the common risks among the most emerging startups:   * Workmeter is a software that allows to know and manage the employees’ productive activity, helps to define the productive and non-productive applications for each group of people or department inside the company. * Minderest is a web tool that allows the comparison of prices of all online sales products, monitor the competition, and optimize sales prices in the E-commerce sector. * Aprendum is the collective shopping online platform specialized in online and distance learning in Spain. * TurboMonitor is a website monitor that checks the service’s availability and performance 24/7, and sends an alert whenever any online services fails. * Misdocs is a platform to acquire generic documents (legal, financial, notes, etc.). It is a trading platform for folders and Word, Excel, PDP and PowerPoint documents. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Collaborates with three of the main Spanish venture capital funds: Active Venture Partners, Bonsai Venture Capital, and Cabiedes & Partners. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <https://www.mola.com/>  Galileo Galilei, s/n. Edificio U (Despacho 13A) PArcBit.  C.P.: 07121. Palma de Mallorca - España.  (+34) 917 439 926.  [info@mola.es](mailto:info@mola.es) |

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| --- | --- |
| *Name* | **Wayra** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Global.  Spain, Latin America and Europe. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Training, mentoring, networking, tracking, space, access to industry, infrastructure, communication, grant, and internationalization. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Digital home services, financial services, big data, advertising, M2M, security, e-Health, e-commerce, e-learning, smart cities, social innovation, network and systems, mobile applications, social networks and Internet applications and technology. |
| *Brief description of key training activities* | Acquisition of the knowledge, which is generic and focused on the development of the entrepreneur. Then, the knowledge is applicable to the needs of the start-ups by individual advice for each start-up on the specific topic. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Telefónica. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <https://www.openfuture.org/es/spaces/wayra>  Gran Vía, 28.  C.P.: 28013. Madrid - Spain.  Plaça d'Ernest Lluch i Martin, 5.  C.P.: 08019. Barcelona - Spain. |

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| --- | --- |
| *Name* | **Tetuan Valley** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Spain. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Help entrepreneurs to implement a business idea from start to growth through skilled engineers and business people who directly transfer their knowledge to the workforce. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Alumni working in Tech sector. |
| *Brief description of key training activities* | Sessions. Each week there is a session covering a different topic: effective presentations, value proposition, business models and metrics, product development and UX, legal & finances, and investment.  Pitch practice. Half of each session is dedicated to pitch practice. Each team has 3 minutes to give their pitch, and then there are 7 minutes of feedback from the audience.  Hackathon. After the product development session, there is a hackathon, where all the teams get together to work on their projects. 48 intense hours of coding with the best tech mentors helping to launch the prototype or add user-validated functionalities to the product.  Demo Day. At the end of the program, all teams pitch and show their demo at the Demo Day, an event attended by over 100 people including accelerators, investors, and members of the Madrid startup ecosystem. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Non-profit organization founded in 2009 by three entrepreneurs. Its partners are Google For Entrepreneurs, and Erasmus for Young Entrepreneurs. It collaborates with Massachusetts Institute of Technology, StartUp Europe, and Campus Madrid. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <https://www.tetuanvalley.com/>  Moreno Nieto, 2.  C.P.: 28005. Madrid - Spain. |

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| *Name* | **Game BCN** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Spain. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Offers a comprehensive program of professionalization with theoretical and practical training, monitoring and support. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Videogame developers. |
| *Brief description of key training activities* | Mentoring program. Professionals with extensive experience and reputation in the industry guide and direct the teams throughout this process with their experience, knowledge and contacts.  Professional training. Lasts 6 months, including 15 hours of training per month. Is provided by professionals from the videogame industry with the objective to professionalize teams and increase their possibilities of success in the creation of a new company.  Demo day. Participants present their project to relevant investors from the gaming sector.  Working space. Working Space for up to three members of the team in the GameBCN Incubator.  Events and networking. Events such as iFest, Game Developers Conference, Gamelab, Gamescom, E3 and DAU Digital.  Master classes: 20 sessions that allow participants to learn from industry experts how to confront and resolve some of the issues discussed in the program. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Generalitat de Catalunya, Departament de Cultura, Barcelona Cultura, and Canòdrom - Parc de Recerca Creativa. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <http://gamebcn.co>  Concepció Arenal, 165. Edifici - Canòdrom - Parc de Recerca Creativa.  C.P.: 08027. Barcelona - Spain.  [info@gamebcn.co](mailto:info@gamebcn.co) |

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| *Name* | **UEIA** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Spain. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Training, mentoring, management consulting and legal advice, financial support. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Socially responsible projects on technological basis. |
| *Brief description of key training activities* | UEIA Generation. Vent designed to facilitate the search for solutions to the problems that affect our society by creating a company on the Internet.  UEIA School. Consists of training social entrepreneurs from professors of the most prestigious business schools in Spain and professionals of recognized prestige in the fields of social, technological sector and law applied to ICT.  UEIA Accelerator. Final phase of the project. Each team will be supported by two mentors, one specialized in social issues and the other in business. This phase will be financed by important Spanish companies and foundations that will grant a participative loan at the minimum interest to be repaid in six months only when the companies generate money and are able to return it. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Telefónica. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <http://www.ueia.com>  PS Castellana, 197, 2D.  C.P.: 28046. Madrid - Spain. |

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| *Name* | **Bic Vizcaya** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Spain. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Infrastructure, mentoring and acceleration, training, marketing of products and servises, financial support. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Bio-micro-nano technologies, Clean Technologies, Advanced manufacturing. |
| *Brief description of key training activities* | Mentoring. Help on the definition of an innovative enterprise itinerary and support in the conception of a project idea; advise on the stage of preparation of the draft; guide at the steps necessary to qualify for the aid of the Provincial Council of Bizkaia, inform of other regional and state aids that could be of interest to the project and to other areas of the company; advise on project management.  Acceleration. Access to specialised centres in technology and generation of environmental knowledge; facilitating access to driving companies to enhance the marketing of products and services that can provide the startups and businesses; organisation of contacts and investment rounds for entrepreneurs, startups and businesses; attracting high potential startups for placement in the Incubator; performing specialised training activities. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Grupo Spri Taldea, Departamento de Desarrollo Económico y Competitivo del Gobierno Vasco, Diputación Foral de Bizkaia. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <https://bicbizkaia.eus>  Astondo bidea, edificio n. 612. Scientific and Technology Park of Bizkaia  C.P.: 48160. Derio - Spain.  94 403 06 06  [info@bicbizkaia.eus](mailto:info@bicbizkaia.eus)  Sabino Arana 8 C.P.: 48013. Bilbao - Spain.  94 439 56 22  [beaz@bizkaia.eus](mailto:beaz@bizkaia.eus) |

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| --- | --- |
| *Name* | **Demium Games** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Spain. |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Workspace, training and activities, as well as the tasks of production, review and validation of each phase of the project development, financial support. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Development of videogames. |
| *Brief description of key training activities* | The incubation program consists of:  More than 90 hours of training, divided into practical-face-to-face sessions, in different areas (Finance, Marketing, HR, Management, Product Development, UX / UI, Sales, Business Development, etc.). 1to1 sessions with top-level mentors, talks with leading entrepreneurs, access to a wide network of investors, collaborators and talent, and the connection with the rest of entrepreneurs in similar or later phases, which reduce the risk of undertaking alone.  The participants create balanced teams and develop a business idea proposed by Demium Startups. Then, they develop and launch a startup, receiving training and specialized advice to achieve it.  The last day of the event comes the time to make the pitch before the jury. Finally, the best candidates will be selected to participate for 6 months in the launch program of Demium Startups, where Demium startups manages phases of soft launch and is responsible for measuring the data generated by the game in order to improve it. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Ministerio de Industria, Energía y Turismo. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | <https://demiumstartups.com>  Calle Almirante Roger de Lauria, 28, pta. 2.  C.P.: 46002. Valencia - Spain.  [+34 96 344 84 14](tel:+34%2096%20344%2084%2014)  Calle de Martín de Vargas, 40,  C.P.: 28005. Madrid - Spain.  Carrer d’Àvila, 112, 3-B.  C.P.: 08025. Barcelona - Spain.  [hola@demiumstartups.com](mailto:hola@demiumstartups.com) |

## 2.5. List of mentors who may potentially be engaged from Spain \*

|  |  |
| --- | --- |
| Name |  |
| Affiliation |  |
| E-mail |  |

\* We are currently in contact with potential mentors to complete this section.

# 3. Best practice from Bulgaria

## 3.1. Bulgarian Economy

Bulgaria is an industrialized upper-middle-income country. It is a developed country with a population of 7.10 million people and a labor force participation rate to around 55.5% (TRADING ECONOMICS, 2018). The strongest sectors in the economy are industry (27.5%), agriculture (5.1%) and services (67.4%). Primary industrial exports are clothing, iron and steel, machinery and refined fuels and ranks at the 77th place on a global scale with an annual gross domestic product (GDP) of $152 billion. The country holds the 77th place for nominal GDP per capita and 76th place for purchasing power parity per capita. The most important industries in Bulgaria are to name but a few electricity, gas, and water, services and tourism, agriculture, and infrastructure (Wikipedia, 2018).

According to the World Economic Forum, the country ranks 49th out of 137 countries in the Global Competitiveness Index 2017-2018 (World Economic Forum, 2018) and ranks at the 50th place in the ‘Ease-of-doing-business’ report of the World Bank in 2018 (The World Bank Group, 2017). The actual unemployment rate in Bulgaria is 7.00% in 2018, with a record high of 19.92% in 2001 (The World Bank Group, 2018).

Internet penetration is about 58.46% with the average Internet speed about 15.6 Mbps through landline connections and 33.34 Mbps through mobile connections (Statista, 2018). Approximately 64% of the Bulgarian households own a computer (Statista, 2018) and 67.3% of the households have Internet access (ITU). The country ranks 50th in the world in terms of ICT development (ICT Development Index 2017, 2017).

According to the European Jobs portal, the number of people employed in the private sector (with employed of over 2.128 million people) is growing in comparison to the public sector, which is decreasing (with employed over 664 thousand people) (The European Jobs Network, 2017).

## 3.2. Bulgarian Startup Ecosystem

The majority of Bulgarian startups are located in the capital of Bulgaria - Sofia (The World Bank Group, 2018).

According to the European Digital City Index, Sofia ranks 50th among 60 cities in Europe. In addition, Sofia holds the 22nd position in access to capital and 41st position in early-stage financing indicators (EDCi, 2018).

Bulgarian startups are claimed to be mostly Ltd. companies (74,6%) (The Register Agency, 2018), with a growth rate of the start-up companies of approximately 9.2% (The World Bank, 2017).

According to the statistics of The World Bank (2018), the procedures (7 in the country), time (23 days), and costs (1.2% income per capita) for starting up a business in Bulgaria are similar for both men and women as in Europe and Central Asia, where there are over 5 numbers of procedures, needed slightly more than 10 days for opening a business, and the costs are equal to 4.4% of income per capita.

As stated in the Global Entrepreneurship Monitor (GEM) Bulgaria Report (2017), the majority of Bulgarian startup founders (over 50%) are between 25 to 44 years old with an approximately equal number of female and male owners. 66.9% of them claim that they have high opportunities in Bulgaria. However, only a small minority of the business people of 2.2% are new business owners in comparison to the EU average of 45.8% (Andonova & Krusteff, 2017).

In addition to this, the highly-growth early-stage ventures in Bulgaria are observed to have a growth of 13.4% yearly (23.7% for Europe) (Andonova & Krusteff, 2017).

Because of the lack of adequate funds on behalf of the Bulgarian startup founders, the most preferred methods of funding a startup business are Banks and building societies, Venture capital associations, Associations of Business Angels, Informal investors, Entrepreneurs, and Government agencies that provide funds for entrepreneur (Andonova & Krusteff, 2017) with a maximum size of the grant between € 25 000 - € 500 000 for micro, small and medium enterprises (Invest Bulgaria Agency, 2018).

More than half of the startups belong to the IT sector (151 companies out of 175 startups registered), a fifth of the startups belong to manufacturing, health, education, governmental and social services, and less than 15% of the startups belong to transportation, information, and professional services (Andonova & Krusteff, 2017), having a “classification tree” business model, predicting the startups success. Only a small minority of the Bulgarian newly funded companies are sold to external markets (6.7%). 10.3% of the startups selling products/services on the domestic market generate revenues with an amount sufficient for over a two year period (SeeNews, 2016).

Over 200 million euros have been invested in the Bulgarian startups with nearly 77 million euros in 2016 (EDCi, 2018).

One of the most notable startups are desktop and mobile event platform Sponsia (funded by the UK platform Seedrs through crowdfunding), Image Recognition PaaS imagga (awarded as “The best startup company for artificial intellect), pCloud (registered as a startup in Sweden), and software Storpool (headquartered in Sofia, Bulgaria) (EDCi, 2018).

Notable Scale-Ups are the mobile marketing platform [Leanplum](https://www.leanplum.com/" \t "_blank) (raised 43 million euros), which provides multi-channel messaging), mobile TV projector app [Flipps](http://www.flipps.com/" \t "_blank) (raised 4.5 million euros) (offices in Sofia, San Mateo (CA) and New York) (EDCi, 2018).

## 3.3. Funding mechanisms in Bulgaria

JEREMIE Holding Fund (JHF) in Bulgaria is financed by the European Regional Development Fund (ERDF) and co-financed by 15% by the State Budget within the framework of the Operational Programme (OP) “Development of the Competitiveness of the Bulgarian Economy 2007 – 2013”. Within the Operational Program (OP Competitiveness), the Ministry of Economy, Energy and Tourism (MEET) has allocated a budget under Priority Axis 3, including national co-financing, of 349 million euros to implement the JEREMIE Initiative, the objective is to improve access to finance for SMEs through various financial engineering instruments as a result of which the total amount of the initiative reaches 853 million euros, aimed at supporting Bulgarian SMEs in the form of equity investments and loans (JEREMIE, 2014).

The JEREMIE initiative has been extremely successful in Bulgaria, notably by addressing the real financial needs of SMEs and to a very small extent unlocking access to finance for small family businesses (and to a large extent of micro-enterprises). In this respect, Bulgaria sees the opportunity to continue and enhance the positive impact of the JEREMIE Initiative through the implementation in the period 2014-2020 of a new SME Guarantee Facility without a loss ceiling (JEREMIE, 2014).

Financial intermediaries (FIs) selected to provide funding to the JEREMIE beneficiary micro, small and medium-sized enterprises (SMEs) are selected through open calls for expressions of interest (JEREMIE, 2014).

On 13th October 2015, the European Commission approved the Operational Program "Small and Medium Enterprises Initiative" 2014-2020. The budget of the operational program amounts to EUR 102 million, which is entirely EU-funded by the European Regional Development Fund (EU Structural Funds, 2018).

At the end of 2016, the EIF signed operational agreements with 10 financial intermediaries - United Bulgarian Bank, Raiffeisenbank Bulgaria, UniCredit Bulbank, Procredit Bank, CIBANK, Societe Generale Expressbank, DSK Bank, Postbank, Deutsche Leasing Bulgaria and Piraeus Bank by which the real SME lending started (EU Structural Funds, 2018).

In addition, the EIF has elected the following agents to manage the 21 million euros in this instrument (EDCi, 2018):

- "Eleven" - operates a 12 million euro fund to fund over 150 investments in innovative startups (Eleven, 2018);

- "LAUNCHub" - runs a 9 million euro fund focused on ICT to make about 120 investments over the next four years (LAUNCHub Ventures, 2018);

- “NEVEQ” with allocated 56 million euros for 14 companies in growth, early and seed stages (NEVEQ, 2016).

Other similar initiatives include EEA Financial Mechanism 2014-2021 with a total allocation of 210.1 million euro and EEA Grants corresponding to the amount of 115 million euros for supporting numerous areas one of which is Business Development, Innovation and SMEs (EEA Grants, 2018).

## 3.4. Incubators/Accelerators List from Bulgaria

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| *Name* | **Sofia TechPark** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Bulgaria |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | The Sofia Tech Park Business Incubator has about 6,200 square meters office space. Start-up companies will not only use the office space, but will also have access to services that will support their development - legal, accounting, marketing, administrative, advertising, assistance in applying for funding for programs, from different institutions and organizations. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | It is designed for startups that develop innovative products in the three major areas of the Science and Technology Park - Information and Telecommunication Technologies, Life Sciences and Green Energy. |
| *Brief description of key training activities* | The Science and Technology Park will provide the start-up business access and the latest scientific excellence through the Laboratory Complex, where 11 high-tech modern laboratory units are built and equipped, as well as through the partnership that Sofia Tech Park has with leading universities and scientists. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Nowadays, 28 high technology companies, 21 of them startups, develop their innovative business ideas in the Sofia Tech Park office areas. At present, incubator members are companies that offer IT services, software innovations in livestock, security, create new products, develop new materials, and more. Here are well-established organizations such as Cleantech Clean Technology Network, Microsoft Innovation Center, Eleven Accelerator, Tech Tour Network, Junior Achievement Bulgaria. Unicredit Burbank has its office in the Incubator. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | Website: <http://sofiatech.bg/>  Email: [office@sofiatech.bg](mailto:office@sofiatech.bg)  Phone: +359 889 900 620 |

|  |  |
| --- | --- |
| *Name* | **Innovator** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Bulgaria |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | The aim of Innovator is to creative collaborative network spaces including peer-to-peer learning and knowledge sharing with a chain of prototyping facilities, combined with the features of hacker spaces and maker spaces. Also included: start up incubator, training center, co-working, event hall, social cafe. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Events, trainings and seminars related to the creative industry and technological innovation. |
| *Brief description of key training activities* | Innovator provides provides shared, hi-tech workshops for software development, hardware prototypes and works in different technical, scientific and cultural fields. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Innovator was founded in 2017 with the goal to create collaborative working spaces not only in the city of Varna but also in other cities in Bulgaria in order to improve and further develop the entrepreneurship culture in the country. The project is partly financed by Varna - Youth Capital 2017. We support private individuals and sponsoring companies who believe in the potential of our activity. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | Website: <https://innovator.bg/>  Email: [hello@innovator.bg](mailto:hello@innovator.bg)  Phone: +359 [89 969 0029](tel:00359899690029) |
| *Name* | **Business Incubator - Varna** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Bulgaria |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | Assist SMEs in the Varna region by providing the appropriate infrastructure, a favorable information and technological environment and the respective supporting business services. It increases the share of SME production in the gross product produced in the North-East region. It improves the competitiveness of the companies from the region on the national and global market and assists SMEs to move to a new market level: from a regional and national market to an international market. The incubator provides assistance to local businesses to attract local and foreign investors and it additionaly establishes and strengthens links between the academic, industrial community and local administration to develop innovative enterprises in the priority sectors of the area. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Energy, energy efficiency and the environment; Information and Communication Technologies; Mechanical engineering, electrical engineering and electronics; Marine industry; Processing industry; Construction and transport - construction of transport infrastructure; Tourism; Services - financial, logistics, etc .; Chemistry, biotechnology, pharmaceuticals |
| *Brief description of key training activities* | Upgrading the favorable infrastructure, technology and information environment to support newly emerging and / or existing technology SMEs (incubation and support of start-up and innovative companies). |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | The Regional Agency for Entrepreneurship and Innovation - Varna (RAPIV) is a not-for-profit association, operating in public benefit, to stimulate the regional economy through the development of entrepreneurship and innovation. The project for the incubator is implemented under OP "Competitiveness Development of the Bulgarian Economy" 2007-2013, Priority Axis 2: "Increasing the efficiency of enterprises and development of a favorable business environment", co-financed by the European Union through the European Regional Development Fund. The budget of the project is BGN 323 thousand and the implementation period is 36 months. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | Website: <http://biv.rapiv.org/>  Email: [office@rapiv.org](mailto:office@rapiv.org)  Phone: +359 52 383700 |

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| *Name* | **Business Incubator Burgas** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Bulgaria |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | The aim of the Business Incubator - Burgas is to create preferential conditions for stimulating and accelerating the development of small and medium-sized enterprises and increasing competitiveness and sustainable development on a regional level. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | The target group of the incubator consists of people with business ideas, start-ups with potential and proven SME. |
| *Brief description of key training activities* | Business Incubator - Burgas offers practical, interactive trainings, trainings and seminars, led by people with experience in the respective business sphere. All trainings and seminars of Business Incubator - Burgas are tailored to the specific needs and the current business trends. The trainings and seminars are created individually for the respective target group and meet specific requirements. Business Incubator - Bourgas hosts both FIRMENI and OPEN TRAINING. Much of the training is completely free of charge and targets small and medium-sized enterprises and entrepreneurs. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | The project "Establishment and Development of Business Incubator - Burgas" is financed by the Operational Program "Development of the Competitiveness of the Bulgarian Economy" 2007-2013, co-financed by the European Union through the ERDF and from the national budget of the Republic of Bulgaria. The project financing period is 36 months with mandatory sustainability for a minimum of 3 years. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | Website: <http://www.business-burgas.com/>  Email: [incubator@business-burgas.com](mailto:%20incubator@business-burgas.com)  Phone: +359 879 017 662; +359 879 017 664; + 359 879 017 665; + 359 879 017 663 |

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| *Name* | **Technological Center Sofia** |
| *Geographic reach (e.g. national, regional, pan-European, global, etc.)* | Bulgaria |
| *Type of support service (e.g. Training, infrastructure, management consulting, business expertise, IT support, legal advice, etc.)* | The Center also supports existing enterprises in order to implement innovative ideas and technologies, to improve processes, to adopt modern practices and to develop new products, to establish contacts with local and foreign companies, organizations, research institutions, state and local authorities , increasing the competitiveness of Bulgarian enterprises on the international market. |
| *Business sector(s) (e.g. web, mobile, IoT, food, agro, etc.)* | Metal (information technologies - CAD / CAM programs and other specific software solutions, technology and systems automation, Lean Management, et al.); Biomass; Energy efficiency; Tourism; Information technologies (software, services and intelligent content - capacity building for the development of innovative products and services using living labs in various industrial and public spheres. |
| *Brief description of key training activities* | The company attracts and advises technology-oriented young but also existing companies in order to support and realign the transfer of technology and know-how between science and business, between foreign and local enterprises, generating successful, innovative business ideas and mediating long-term partnerships between established companies, Start ups, research, local and state institutions, organizations and associations. |
| *Participating organisations (e.g. companies, public authorities, universities, etc.)* | Technological Center Sofia has partnered with German and Austrian technology factories and centers, specialized institutes and research centers. It is included in the program of the Joint Intergovernmental Commission "Bulgaria - Baden-Württemberg" including firms, institutions, educational establishments and non-governmental organizations. |
| *Contact Details (e.g. website, e-mail, telephone, etc.)* | Website: <http://technologycenter.bg/>  Email: [office@technologycenter.bg](mailto:office@technologycenter.bg)  Phone: +359 876 976 410; +49 1575 269 49 58 |

## 3.5. List of mentors who may potentially be engaged from Bulgaria

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| Name | Prof. Todor Radev |
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19. <https://www.investeurope.eu/about-private-equity/> [↑](#footnote-ref-19)
20. <http://www.ascri.org/> [↑](#footnote-ref-20)