# **Bussines driven innovation**

Start-ups, Scale-ups and Entrepreneurship in Romania

Prof. Adrian Curaj 22.11.2016

# Overview

1. "Research Driven Innovation"

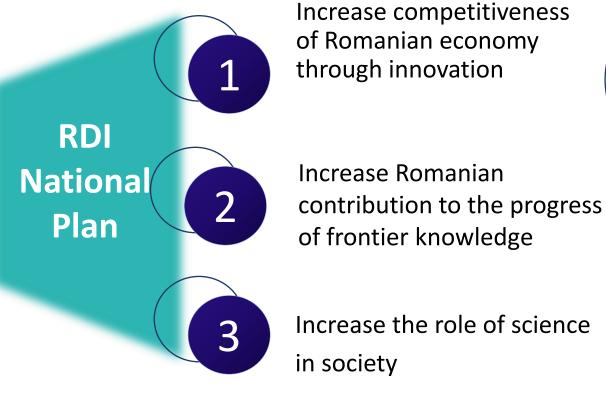
2. Start-ups, Scale-ups and Entrepreneurship in Romania

3. Conclusions

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# Research driven innovation

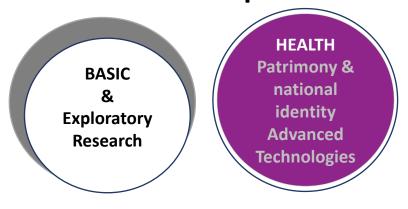
## RDI National Strategy 2014-2020



#### **Smart specializations**



#### **Public sector priorities**



#### National RDI Plan 2015-2020

#### **Programme 1:**

**Development of the National Research and Development System** 



#### Programme 2:

Increase the Competitiveness of the Romanian Economy through Research, Development and Innovation

3

#### Programme 3:

**European and International Cooperation** 

4

#### Programme 4:

**Fundamental and Frontier Research** 



#### Programme 5:

Research in Areas of Strategic Interest (Strategic Projects for Romania)

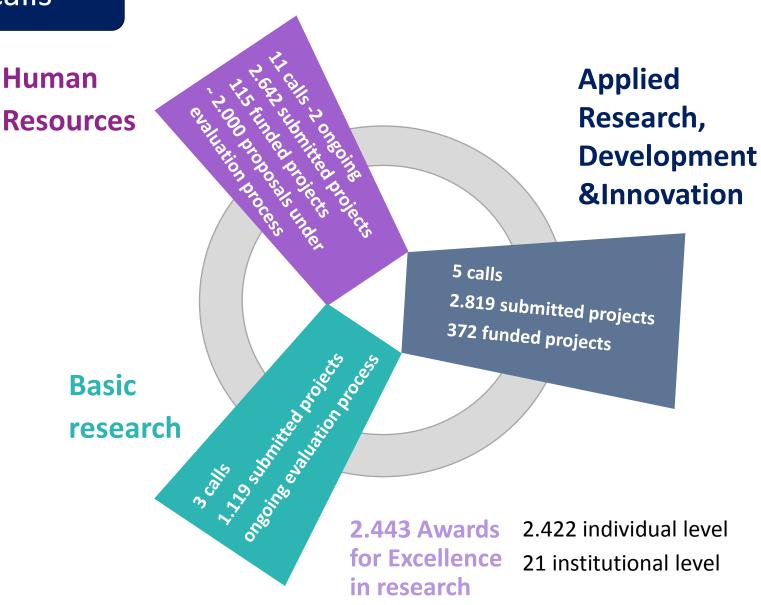
#### Funding instruments **UEFISCDI** supports exploratory, applied research, innovation all branches of sciences & the humanities Basic research projects Young Senior researchers **Postdocs** teams researchers Young **PhD students Applied** researchers research Team projects **Undergraduates** members **UEFISCDI** finances in research Young mainly development projects and innovation researchers research & innovation projects, (TRL2....to TRL 6) fellowships, scientific mobilities, fellowships awards for excellence in research

Awards for excellence in research (at individual and institutional level)

#### 2016 National RDI Plan calls

**21 calls** for Human Resources, applied & basic research, award for excellence in research 6.612 project proposals submitted 786 funded projects

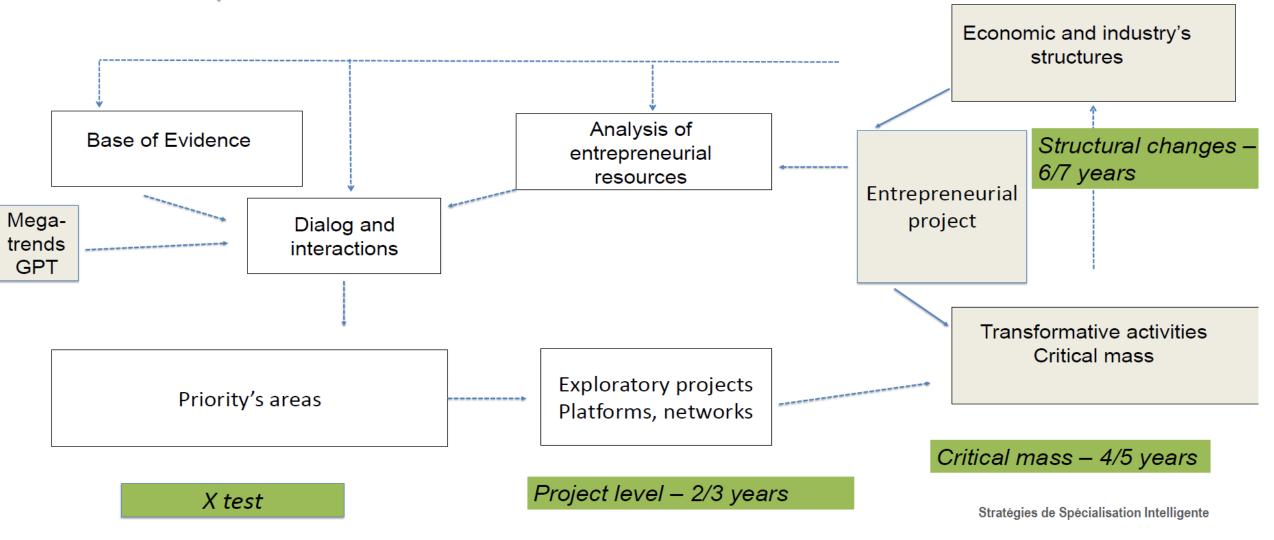
Allocated budget (2016-2019) 215 mil. euro



# Research driven innovation The Web of initiatives

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## S3 M&E EDP development



**Advances in the Theory and Practice** of Smart Specialization Adrian Curai

**S3** 

# EU next programming period:

- VERA
- Bohemia
- Cimulact
- RIBRI

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# Technological RADAR

#### Objective:

Identification of emerging global technologies for supporting the

1 million technological news

200+ on line platforms as primary sources of information

```
(NLP + human validation)

finance sensors repolics

optics chemistry business social security vision
electronics physics biotechnology
materials physics biotechnology
food and drink health space space space space sprint wearables

chemicals industry quantum nanotechnology automotive medical equipment electricity received neuroscience pharma space space
```



# **RADAR**

```
optics chemistry business social security vision electronics physics biotechnology materials food and drink health space industry quantum nanotechnology automotive medical equipment electricity neuroscience pharma video
```

stainless steel lightweight metal grain boundary paper skin

carbon film composite material

crystal structure

topological insulator metallic hydrogen

magnetic material smart window
silicone rubber indium tin oxide
liquid metal

# Smart analytics



#### **RADAR- Identifying the emergent technologies**

NOSEit

NOSEit NOSEit 21 May at 14:41 - 8

#gamifyingneuroscience

SOCIAL TECHCRUNCH COM.

Jike Comment Share

through a 3D game.



# Cooperation Pattern

- Do we know areas of bilateral projects, multilateral projects (ERA-NETs / COST), JPs ?
- Are they thematic areas of concentrations?
- How much public-public cooperation, how much publicprivate cooperation?
- What are the already cooperating groups/institutions?

## Interconnectivity the key to come true

The purpose of the agreement was focused on fostering the Romanian-French collaboration in scientific research and funding Joint Research Projects conducted by teams from both countries.

**UEFISCDI** is appointed as Programme Operator for **EEA & Norway Financial Mechanisms** 2014-2021

> The aim of the mechanisms is to contribute to the reducation of economic and social disparities in the European Economic Area and to

Agence Nationale de la Recherche Swiss National Science Foundation

**UEFISCDI** 

established different types of strategic partnerships & cooperation agreements with:

Rectors Conference of the CRUS

The collaboration programme aimed to strengthening the research cooperation between Romania and Switzerland in order to integrate the Romanian researchers in international networks to faciliate the exchange of knowledge and know-how among researchers.

Sciex -NMSch Program main goal is to foster the scientific capacities of researchers in the NMS and promting sustainable research partnerships between the ten NMS and

# Knowledge Community and Cooperation patterns

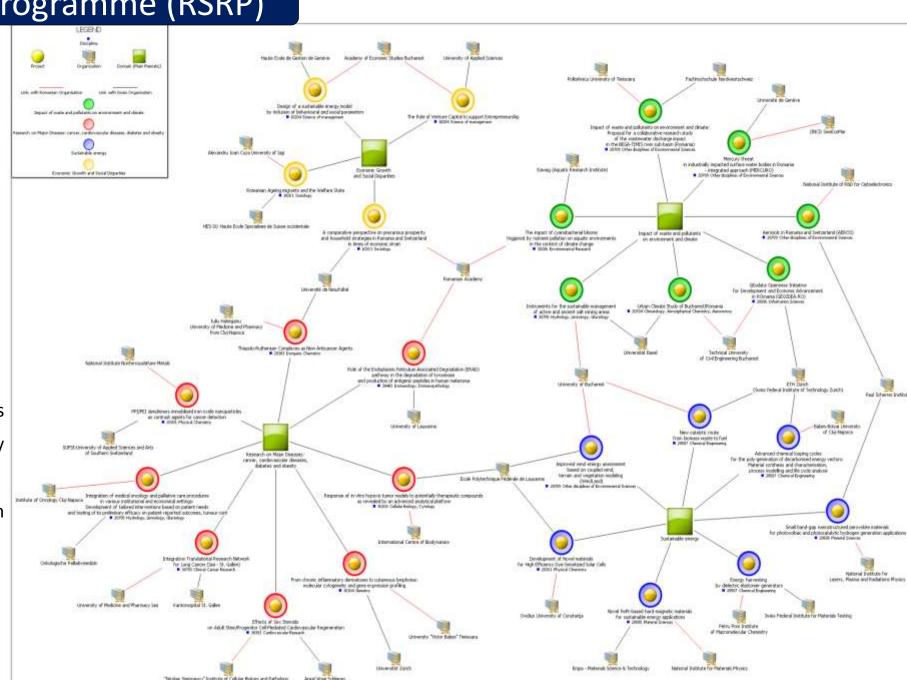
UEFISCDI in ERA-NET, Horizon 2020

2014-2016 52 ERA-NET calls 481 proposals 145 funded projects/16 as coordinator



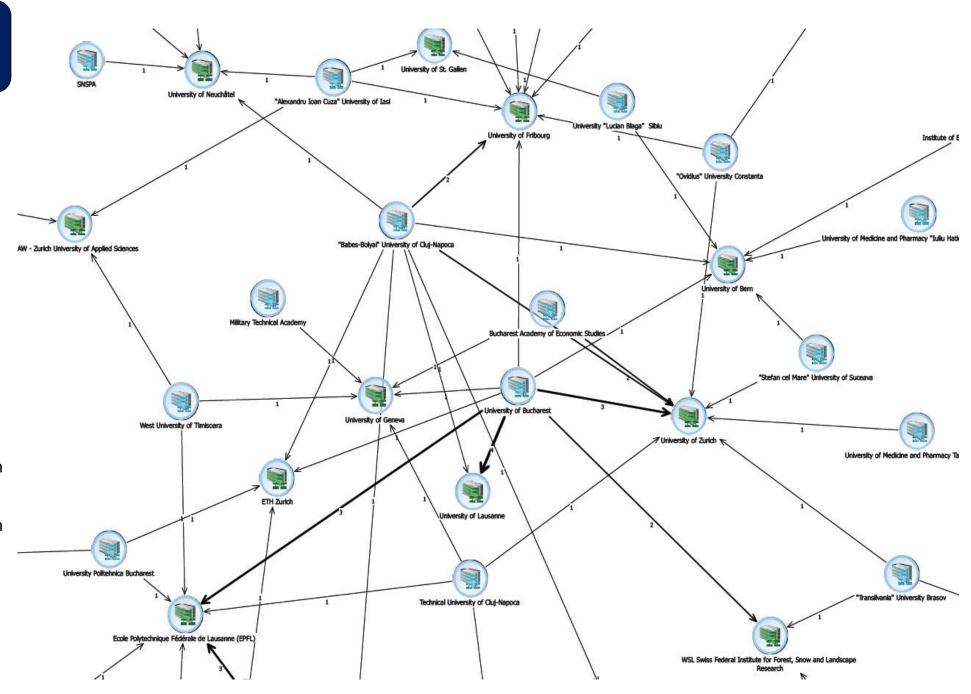
# RO-Swiss Research Programme (RSRP)

- Total budget: 10.4 mil. CHF
- RO co-financing (15%): 1.555.897 CHF
- 26 funded projects
- 4 thematic areas
- 22 RO universities, research institutes and institutes of Romanian Academy involved
- -16 Swiss universities and research institutes involved in the programme

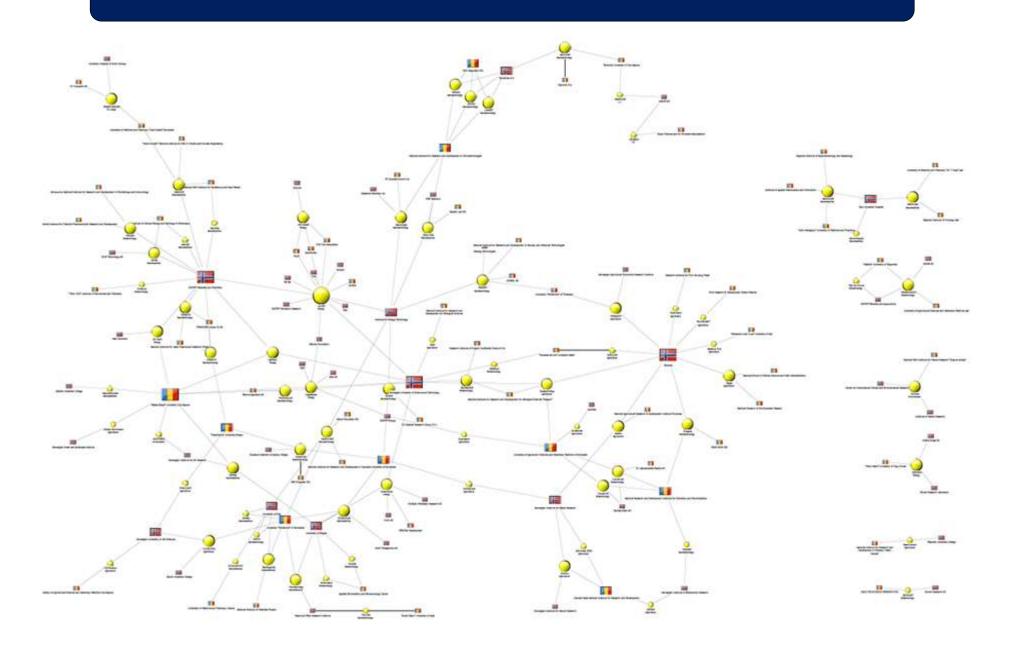


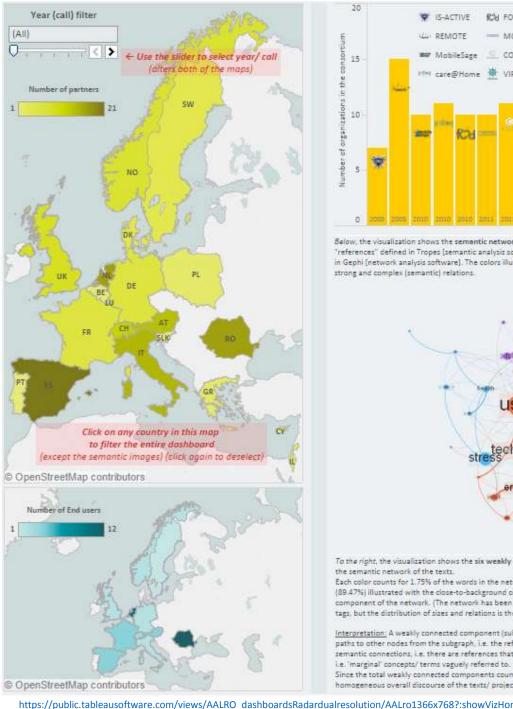
### SCIEX-NMS.ch

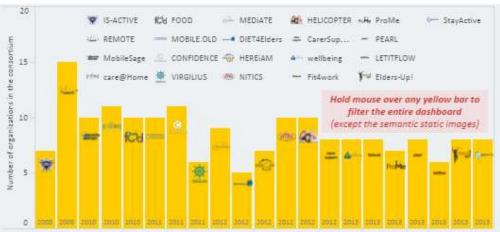
- -Total budget for RO: 7.648.068 CHF (including short visits)
- 88 fellows
  - 28 PhD candidates
  - 60 Post Docs
- -2/3 women researchers
- 32 RO universities and research institutes involved in the programme
- -18 Swiss universities and research institutes involved in the programme



### Norway – Romanian partnerships in ERA\_NET and AAL







Below, the visualization shows the semantic network built by analyzing the abstracts (Section 1.1) of the 21 project proposals. The words are "references" defined in Tropes [semantic analysis software] as main themes of the text. The semantic ontology was exported and processed in Gephi (network analysis software). The colors illustrate six modularity classes, i.e. semantic networks consisting in nodes/ references with

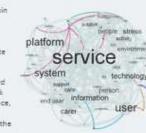


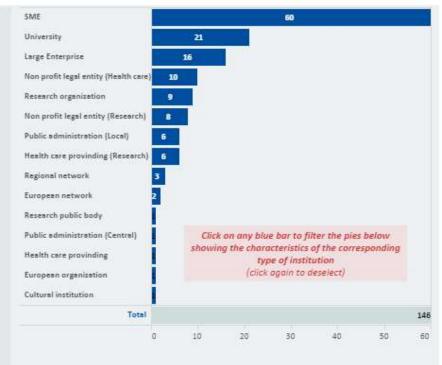
To the right, the visualization shows the six weakly connected components (by six colors) within

Each color counts for 1.75% of the words in the network, while the majority of words/ nodes (89.47%) illustrated with the close-to-background color represent the strongly connected component of the network. (The network has been contracted and rearranged to accommodate tags, but the distribution of sizes and relations is the same as above.)

Interpretation: A weakly connected component (subgraph) contains nodes that have undirected paths to other nodes from the subgraph, i.e. the references of the texts have, in this case, weak semantic connections, i.e. there are references that are not described through another reference,

Since the total weakly connected components count for approximately 10% of the references, the homogeneous overall discourse of the texts/ projects describes concerted approaches.





#### Below,

- the first row of pies show further types of institutions by their "public/ private" status and by their main sector of activity, relevant to AAL either "ICT", or (/and) "Health care providing".
- the second row of smaller pies show an additional relevant breakdown by "public administration" sector and by "ICT" and/ or "Health care" research activities. The categories are not exclusive across the two rows of pies.



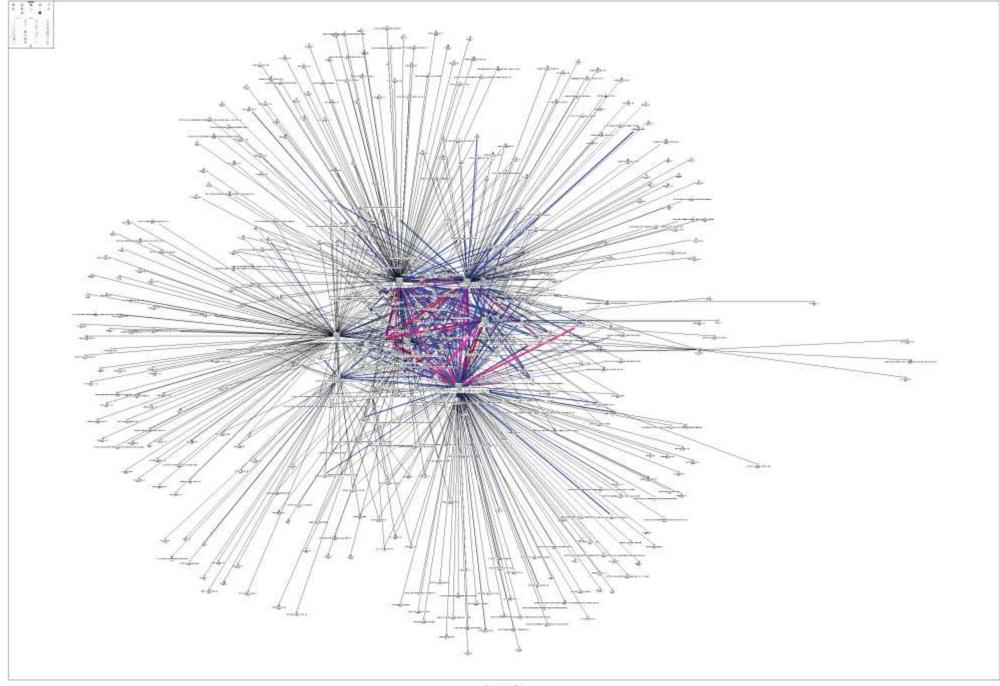












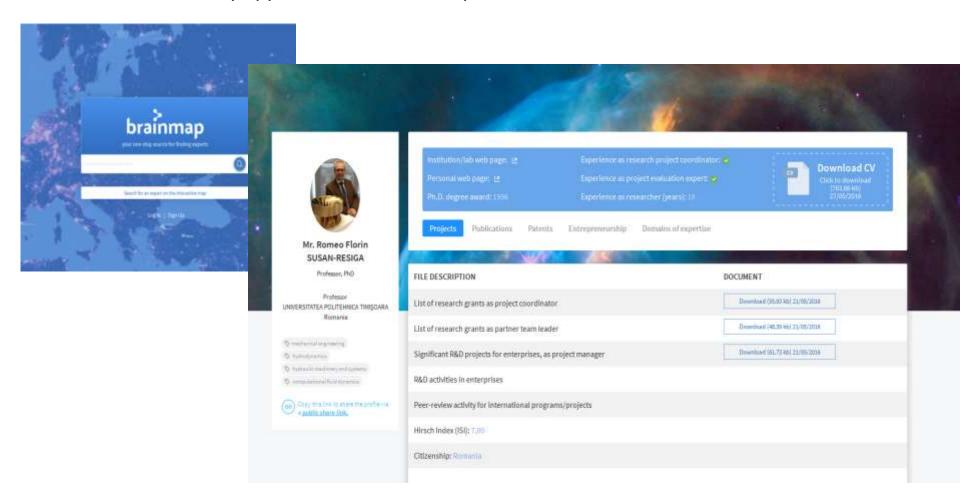
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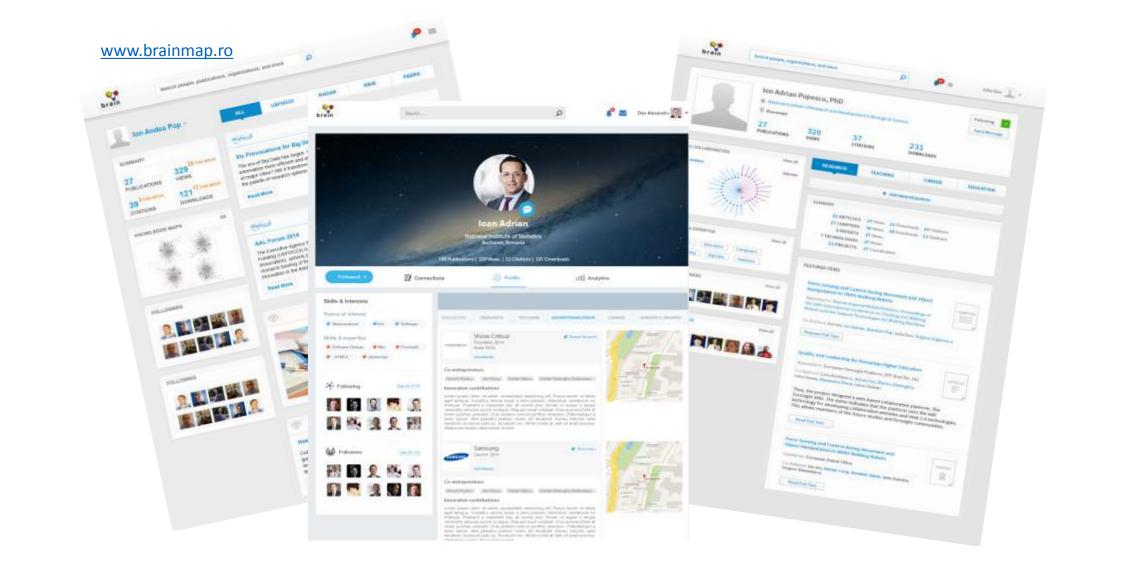
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#### **BrainMap**

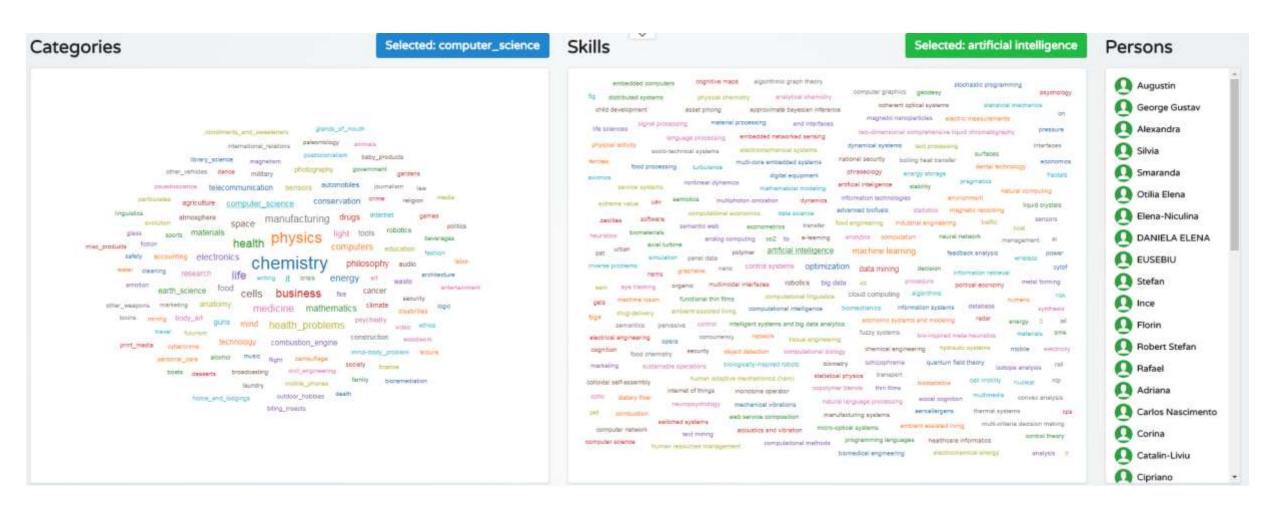
**BrainMap** represents a wide community of actors involved in the Romanian research and innovation ecosystem.

BrainMap is undergoing a vast process of visual and conceptual updates and improvements, so that it will integrate both the functions of the previous BrainMap platform and the social features and friendly appearance and user experience of BrainRomania.

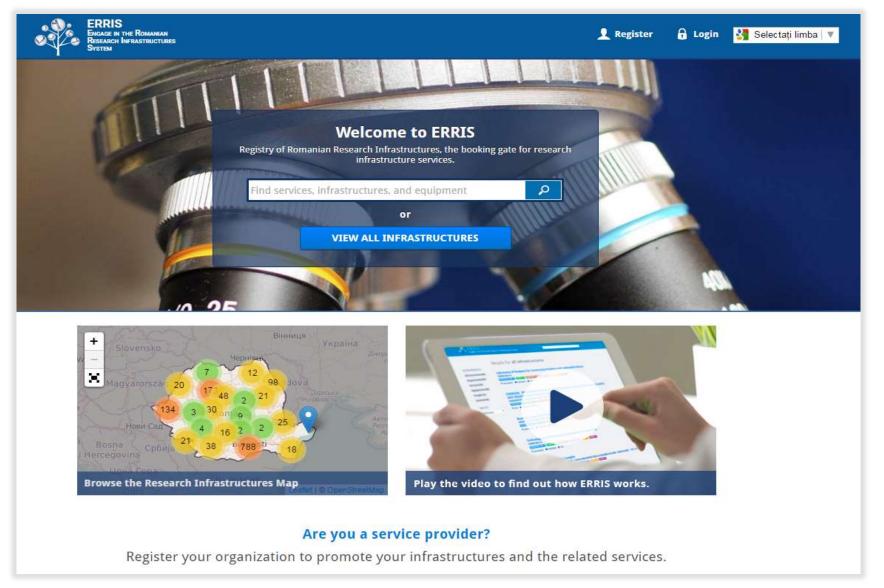




## Brainmap – skills clusterization



#### What is ERRIS



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#### UNIVERSITY OF BUCHAREST

#### UNIVERSITATEA BUCURESTI

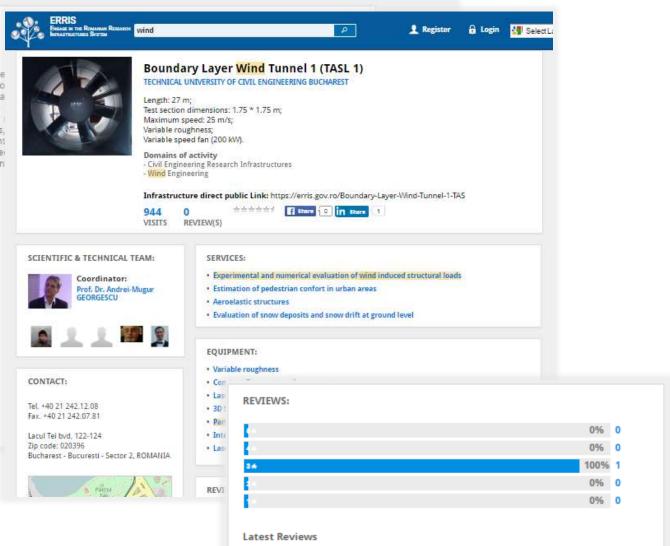
The University of Bucharest is a leading academic ce reference in society, and it adheres to the principles o thinking. The University is one the leading higher educa South-East Europe by actively contributing through development and use of knowledge. The University's quality academic programmes and research facilities, research and teaching. The University is an important global intellectual community working towards protevalues, as well as towards promoting diversity and intern

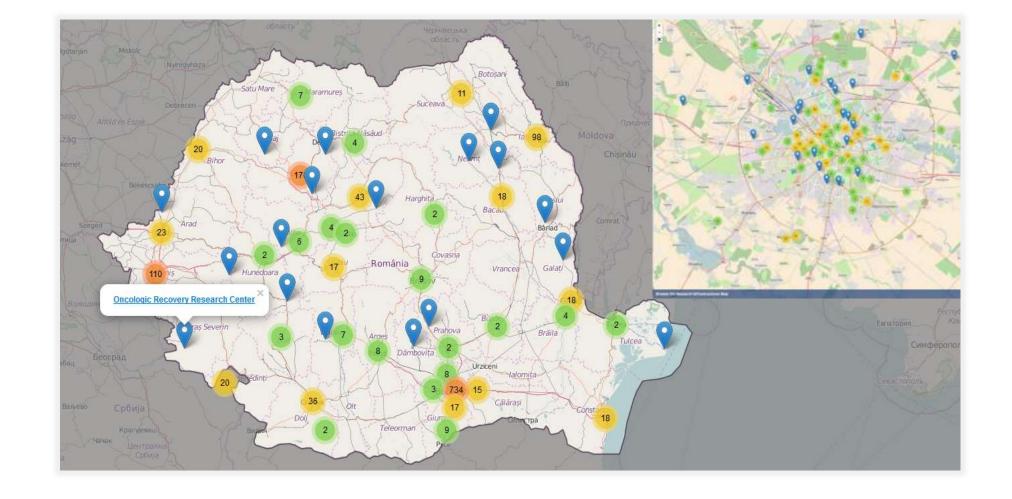
Website: www.unibuc.ro Email: contact@pr.unibuc.ro Phone: +40 21 3077300

#### CONTACT:

Mihail Kogalniceanu Bvd, 36-46, Zip code: 050107 Bucuresti Bucuresti - Sector S, ROMANIA







- **❖ 1384** research infrastructures;
- **❖** 7406 research services;
- 49 technological services;
- 19633 equipments;



The Romanian Entrepreneurship Ecosystem

# Is there any entrepreneurial ecosystem?



# **Entrepreneurial Ecosystem Index:**

# Romanian Entrepreneurial Ecosystem Index





#### For more information



\*REEI aggregates the previous 5 dimensions.

\*\*Each is measured on a scale from 0 to 2

0 shows self-made entrepreneurship

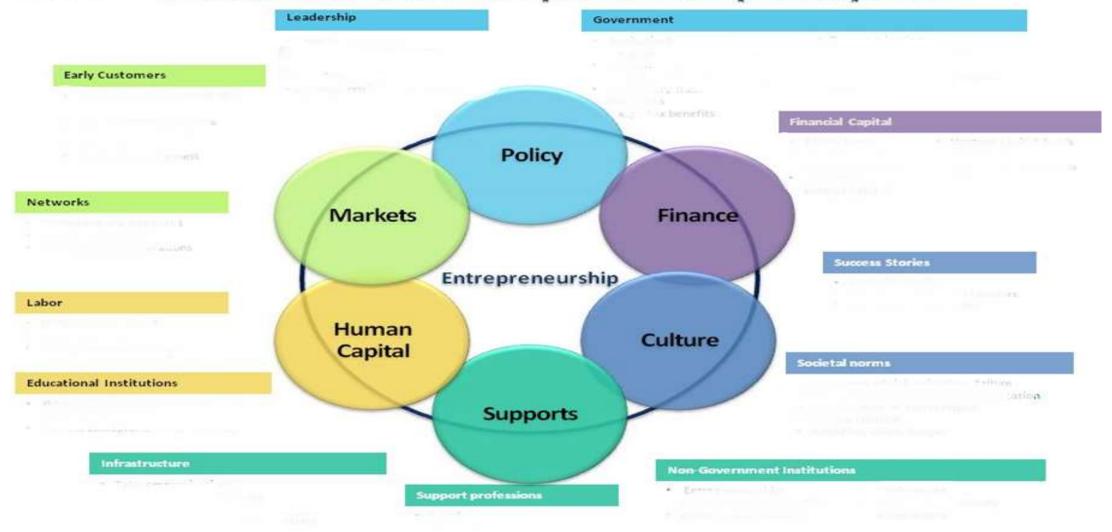
2 shows ecosystem entrepreneurship

\*\*\*The value of the Ecosystem Index is 4.5 on a scale from 0 to 10

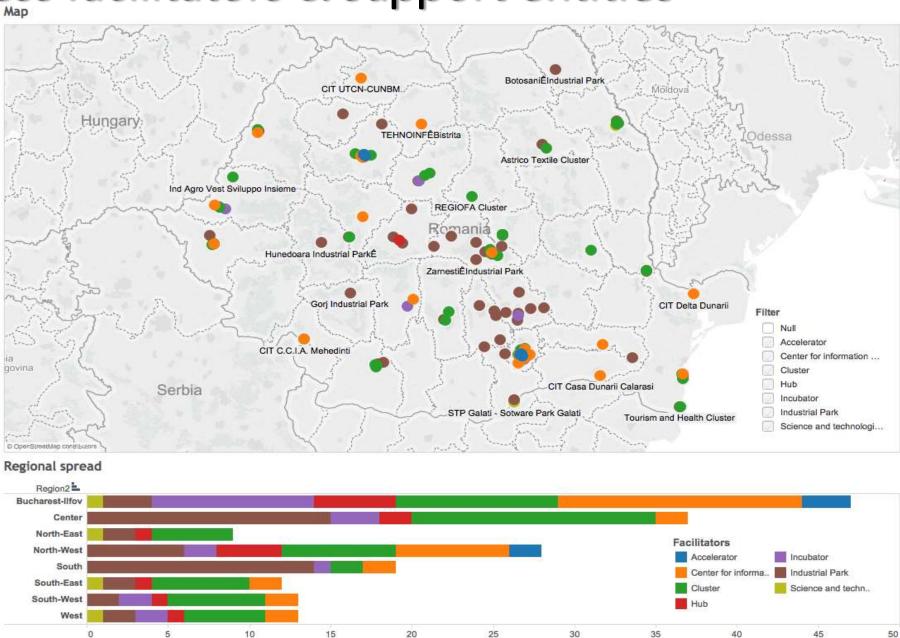
EEI ranges from 0 to 10



#### **Domains of the Entrepreneurship Ecosystem**



# Business facilitators & support entities



# **Business driven innovation**

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# Romanian Entrepreneurship Ecosystem recommendations

Policy

Finance

Markets

#### **Policy**

 Develop an IT system to allow ecosystem to insert data and connect each to other

 Monitor and measure the performance of the ecosystem

Romanian Entrepreneurship Agency

#### Culture

- Entrepreneurship Award under the auspices of the President
- Entrepreneurship in education
- Transparent policies involving stake holders
- Entrepreneurship-Friendly Regulation

#### **Human Capital**

- Upgrade entrepreneurship education in HEI
- Allow non-PhD business people to teach at universities
- Attract foreign /diaspora talent
- Start-up visa

#### Support

Non-financial support for start-ups/SMEs

Supports

- Shared services to be used by incubators/TTO
- Incubators Voucher scheme
- International Accelerator based in Romania
- Update incubation law

Culture

Human

Capital

#### Finance

- Withdraw Business Angel (BA) Law
- Support to Business Angel Networks (BAN)
  - Accreditation/certification of BAN/BA
  - Business Angel co-investment scheme
- Venture Capital co-investment (FoFs and deal by deal)
  - Funding for Romanian Counterguarantee Fund (FCR)
  - Tax incentive for investors in funds that invest in listed companies in AERO

#### Markets

- Connecting Hub as Brokerage Platform
- Smart procurement

Slide from: Horizon2020 Policy Support Facility







# Cross-cutting principles

# 1) Establishing and strengthening the entrepreneurial community

 This principle is reflected in almost all of our recommendations (visibility, networking, brokerage, attitudes, etc.)

#### 2) Enhancing transparency and Open Data

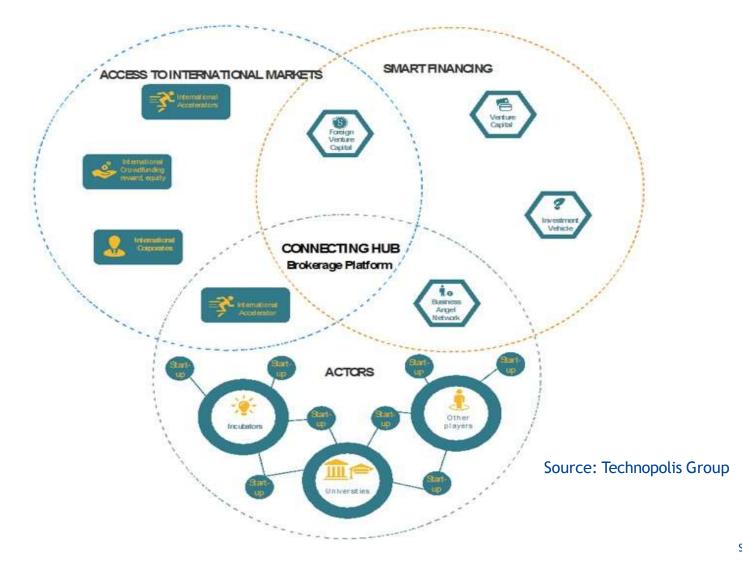
 This would address one of the key barriers of the entrepreneurial ecosystem lack of trust between public and private actors

#### 3) Internationalisation

• International linkages and networks are an essential feature of any successful entrepreneurial ecosystem and Romania is no exception.

1. Improving linkages within the Romanian entrepreneurship and innovation ecosystem

#### Connecting Hub as a Brokerage platform



2. Improving the business environment

## The Romanian Entrepreneurship Agency Catalysing innovation and entrepreneurship

Exercise a **strategic function to catalyse entrepreneurial ecosystem in Romania** by supporting networking, promotion and internationalization of Romanian start-ups and scale-ups, exchange knowledge and best practices;

Give financial support for entrepreneurship and innovation and provide co-investment for venture capital and business angel funding schemes;

Seed new types of partnerships between research, education and businesses, also in collaboration with other funding agencies, as for example UEFISCDI.

Contribute to execution of the smart specialization strategy by leveraging ERDF funds; Funding of this agency will be mainly done through management fees of funds and programmes under management.

3 Enhancing the start and growth of new companies

#### Entrepreneurship education and access to talent

Make earmarked funding available for primary and secondary schools for organizing entrepreneurial projects and activities, including entrepreneurial clubs, business plan competitions and societies. Regional school business plan competitions can have a national final where the best projects, schools and teachers will be awarded.

Invite schools, entrepreneurs, students and teachers (through their appropriate associations or representatives) into an open discussion how to change the overall educational approach to better support entrepreneurship.

Establish a specific promotion programme for attracting foreign and ex-patriate (diaspora) entrepreneurial talent. Mapping diaspora talent will be key to implement this project successfully.

Establish a Start-up Visa to attract foreign entrepreneurs to launch their new businesses in Romania.

## Public support to entrepreneurs and demand-driven innovation

Launch a programme offering non-financial support for start-ups and SMEs seeking growth in international markets.

Introduce comprehensive integrated funding schemes for start-ups (and selected SMEs).

Establish **common procedures for managing funding programmes**, including **IT systems** and electronic management of applications and monitoring of projects and programmes across all agencies.

Design and launch a scheme for organizing challenge competitions to address selected societal challenges, which combine national needs with high international market potential, and engage entrepreneurs, start-ups and innovative SMEs.

Organise skills assessment and trainings to ministry, agency and other public sector employees that interact with entrepreneurs on a regular basis.

4 Uplifting the role of incubators, accelerators and universities in Romanian entrepreneurial ecosystems

## Promoting an international accreditation of several incubators and accelerators

Launch a public program to select five leading incubators and accelerators in Romania



Support the selected incubators with access to international coaching, with the aim to apply to international accreditations, e.g EU BIC



All incubators should be encouraged to join both Romanian and international networks of peers, fostering exchange of good practices among them

# Supporting the most promising ecosystem players in Romania

Launch a competition to select up to seven key entrepreneurial ecosystem players based on international peer-review examinations

Eligible entities: accelerators and incubators, TTOs, SME / entrepreneurship associations

Provide them with financial support during 3 years (up to 100 K€ per year) to help them develop their activities

The agency/institution piloting this new mechanism critically needs to have a strong track record with regards to both European funding and international peer-review.

# Launching a international acceleration program for start-ups

Launch an open call to select the operator for the acceleration programme based on an open call, which should be internationally renowned working in collaboration with local partners.

Number of start-ups selected should be very limited (10-20 per batch) and the program very selective in order to make sure that this acceleration program starts acting as a quality signal with respect to investors.

Accelerators should be funded based on loans from the government. Companies accepted to the acceleration programme would receive a lump sum from the accelerator in exchange of small equity.

Mixing both Romanian and international start-ups in the same program would be beneficial for both, in terms of image and in terms of potential collaborations.

## Transforming universities' role in entrepreneurial ecosystems

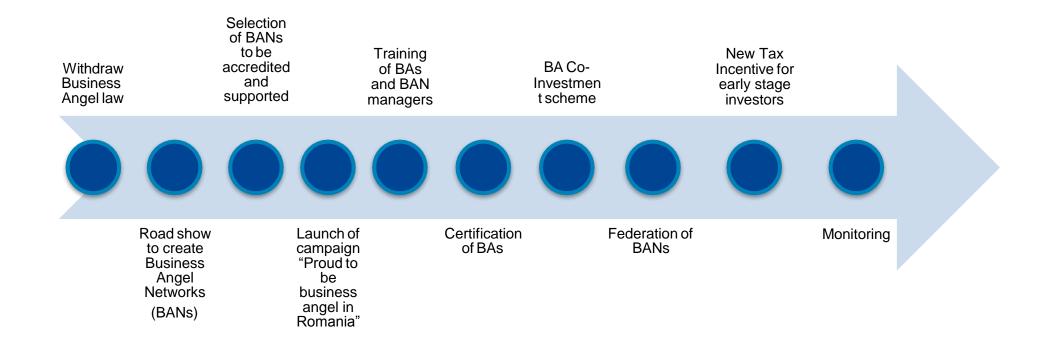
Develop a specific support scheme for the involvement of academics into entrepreneurial activities, notably with respect to innovation in teaching

Make the Intellectual Property Law for Romanian Universities implementable and respected by universities

Establish joint or shared TTO structures for all universities and research institutions, in order to reduce tech transfer costs, and provide international training and coaching to TTO personnel

Define transparent criteria for the evaluation of university entrepreneurship activities expenses so that public support could be provided accordingly 5 Improve access to finance in Romania

## Supporting Business Angels



Slide from: Horizon2020 Policy Support Facility

### Set up a business angels co-investment scheme

Goal: Create an intstrument to expand the current community of hands-on business angels that support Romanian start-ups.

#### How to promote joint investments of business angels:

At least 3
certified
business
angels are
needed to
apply for the
funds from the
co-investment
scheme.

Certified
foreign
business
angels should
be
incentivised to
participate.

In case of a successful application, business angels create an investment vehicle (IV) in which certified business angels hold the majority of shares and the decisions.

Once the investment vehicle is set up, 1/3 of the funds should be put into the vehicle by business angels. On exit Angels will receive up to 90% of the upside.

Funds will be invested in companies that were established no longer than 5 years ago.

## Support to Venture Capital Funds

 Support the creation of VC funds that will invest in Romanian companies in a bit later stage than business angels.

They should invest 750.000-3.000.000 EUR in each company.

Preference on selection should be given to VC firms that have access to international markets and can help innovative Romanian companies to scale.



2. In order to help the VC funds to raise money, government should allow the limited partners, or the founders of these new VC funds to have a personal income tax benefit



3. Government should also create a Fund of Funds and a matching Fund deal by deal with international accredited and specialized VCs on a 1:1 basis.

#### Thank you!

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