

Entrepreneurial Manifesto

Living Paper

Status: 31.01.2020

Preamble:

The manifesto is designed as a living paper. It turns out that more and more new findings have to be added.

Therefore, the manifesto is initially only in EN language created. It's also good for discussions with stakeholders.

**Project »Entrepreneurial Eco-System Alpe Adria«,
Program Interreg V-A Italy-Austria,
Funded by the European Regional Development Fund (ERDF)**

Milestone 3.2

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Entrepreneurial Ecosystem

What will help societies to create policies, structures, programs and climate that foster entrepreneurship, especially based on the strengths of the regions Carinthia, Friuli Venezia Giulia and Veneto.

Developing a thriving entrepreneurial ecosystem is of course a collaborative effort. Ecosystem Players, like e.g. incubators, accelerators, institutions, universities, enterprises, schools, technology parks, research institutions, initiatives, co-working spaces, etc. are just beginning to form an entrepreneurship ecosystem which can accelerate their actions with the right network and the common support.

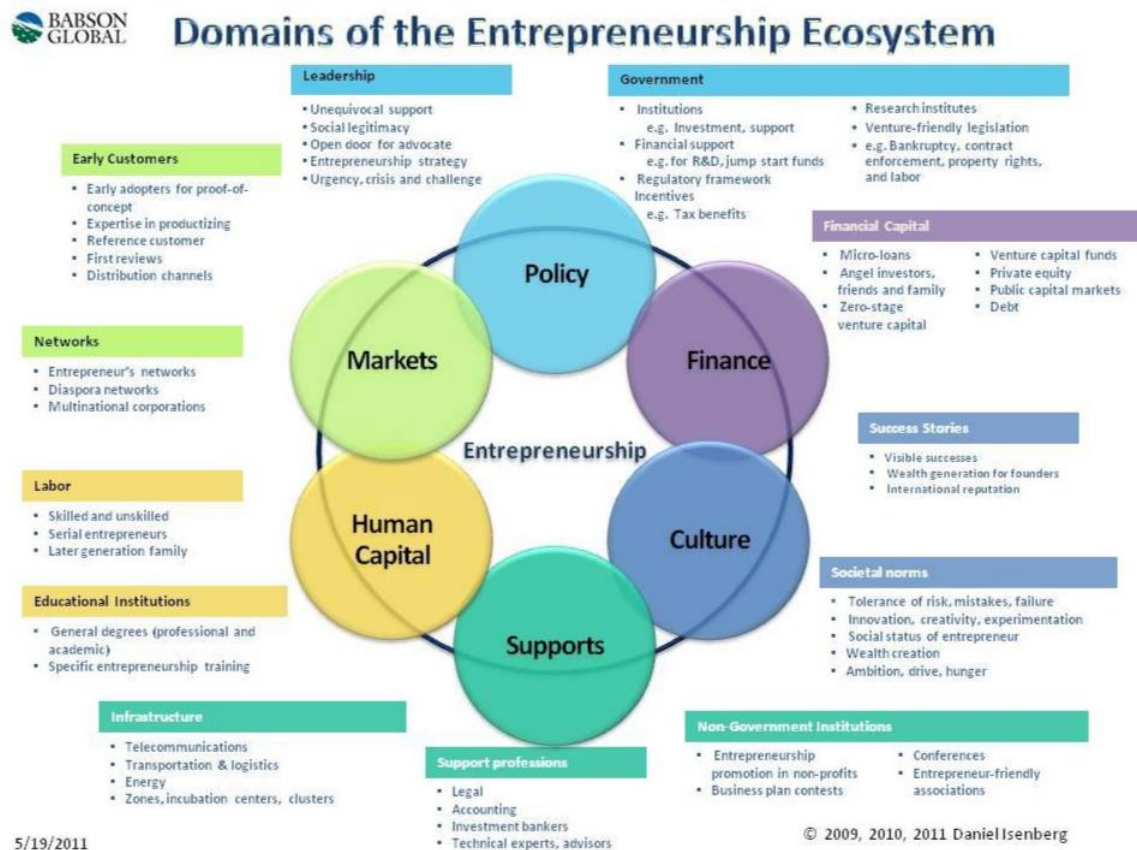
There are two terms included in the text »entrepreneurial ecosystem«. The first term »entrepreneurial« refers mostly in the starting|scaling phase of a company. Entrepreneurship is often understood as a driver of innovation and productivity and as an engine for sustainable economic growth. In the classic sense, entrepreneurs are people who innovate, start businesses, figure out their opportunities, opening up new distribution channels, hire staff, mobilize resources and ensure that their business keeps running, grow and respond to changes. The OECD definition of entrepreneurs is¹: *Entrepreneurs are those persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploring new products, processes or markets.*

In natural sciences, ecosystems are generally defined as a system, or a group of interconnected levels, formed by the interaction of a community of organisms with their environment. Like in the public more known biological ecosystems, an entrepreneurial ecosystem consists of different levels, which can be individuals, groups, organisations and institutions that form a community by interacting with the players. Also environmental determinants are important, because they influence on how intensive these players work and interconnect. In entrepreneurial ecosystems, these can be laws and policies or cultural norms. Ecosystems strongly influence the likelihood of enterprises thriving and growing, as they can allow for a faster and more efficient flow of resources, knowledge and information between the different players within the system. Experience shows that ecosystems are rooted locally, often on a city-level, but that an openness to and exchange with other ecosystems are crucial in allowing an inflow of talent, information, knowledge and resources.

Neither biological nor entrepreneurial ecosystems can be created, designed or built by an outside player. While this makes the term »entrepreneurial ecosystem« hard to grasp it does underline that entrepreneurship support programmes operate in complex and highly dynamic environments. For this reason, it is particularly important to take sufficient time to analyses and understand the ecosystem before designing interventions to support it.

¹ Organisation for Economic Co-operation and Development, Entrepreneurship at a Glance 2012, OECD, Paris, 2012.

The domains of an entrepreneurial ecosystem²



FINDING THE RIGHT PEOPLE WITHIN THE SUPPORT ORGANIZATION IS KEY. AT THE END

The six pillars are:

- **Policies:** Support from the Administration and public bodies, both at the legislative level and creating regulations and initiatives that foster entrepreneurial activity.
- **Financing:** Easy and fast access to financing, both banking and private.
- **Culture:** Giving diffusion and visibility to success stories, and a good reputation to entrepreneurs.
- **Support:** All those services, resources and initiatives to support the entrepreneur.
- **Human Capital:** Educational Institutions, Universities and training for entrepreneurs.
- **Markets:** Establishment of entrepreneur networks, existence of first customers that test beta-products (early adopters) and from which feedback can be received.

These pillars are interrelated and depending on the conditions and characteristics of each environment, a unique ecosystem will be created.

² Source: Daniel Isenberg, Domains of the entrepreneurial ecosystem.

The growth in ecosystems occurs through a recycling system so that entrepreneurs who have achieved success and have sold their companies and move on, continue connected to the ecosystem, investing their time and experience to create more entrepreneurial activity. Some will become serial entrepreneurs, founding new startups. Others will become Business Angels, providing funding for other projects and contributing with their experience, offering mentoring or advising tasks, generating system feedback. This commitment drives the further development of the ecosystem and multiplies the opportunities for growth and access to financing of new and existing startups. This brings benefits not only to the entrepreneurs but also to the region as a whole.

With the information seen so far, it can be established that an ecosystem must be formed by the pillars and actors that support a region to promote the proposed objectives for that ecosystem, so if this model is adapted to a particular sector, similar results and advantages to those of the original model are expected.

Why is Entrepreneurship so important?

Entrepreneurship is important for a number of reasons, from promoting social change to driving innovation. Entrepreneurs are frequently thought of as national and also cross-border assets to be cultivated, motivated, and remunerated to the greatest possible extent. In fact, some of the most developed nations such as the United States are world leaders due to their forward-thinking innovation, research, and entrepreneurial individuals.

Great entrepreneurs have the ability to change the way we live and work, on local and national bases. If successful, their innovations may improve standards of living, and in addition to creating wealth with entrepreneurial ventures, they also create jobs and contribute to a growing economy. New products and services created by entrepreneurs can produce a cascading effect, where they stimulate related businesses or sectors that need to support the new venture, furthering economic development.

Entrepreneurial ventures help generate new wealth. Existing businesses may remain confined to existing markets and may hit a limit in terms of income. New and improved products, services, or technology from entrepreneurs enable new markets to be developed and new wealth to be created.

Through offering unique goods and services, entrepreneurs break away from tradition and reduce dependence on obsolete systems and technologies. This can result in an improved quality of life, improved morale, and greater economic freedom. So entrepreneurs are able to create social change.

Support the development of Entrepreneurship in the cross-border region

In last years the »battle for talents« has intensified on the global level boosting the outflow of entrepreneurial talents and innovative companies from our cross-border areas (Northern Italy and Carinthia) into the more attractive start-up ecosystems like London, Berlin, etc.. Another critical

aspect is the low level of region's internal and external connections, and the need to reinforce innovation networks for improved cooperation. Addressing these the partners and their network behind will be a pioneer in linking local entrepreneurial and start-up hubs in a cross-border »Entrepreneurship Cluster«, where e.g. incubators, accelerators, institutions, universities, enterprises, schools, technology parks, research institutions, initiatives and co-working spaces play a central role start to enabling the joint promotion of the Entrepreneurial Ecosystem Alpe Adria as a destination for best entrepreneurial mindset.

The Success To-Date

As a result of the implementation of the EES-AA project, many formats in the field of entrepreneurship were developed and tried out. Awareness-raising events were planned and implemented. Experiences were shared with other ecosystems, the understanding regarding best practices was generated and new thinking was enabled for the cross-border region based on all the impulses the projectpartners got.

The success in detail:

- Formation of a cross-border entrepreneurial destination Alpe-Adria through development of a common study and common actions:
 - Hosting of interdisciplinary Lighthouse events in Alpbach and Udine
 - Strategic matching and coordination with parallel Entrepreneurial Ecosystems in Helsinki | Tallinn and Vienna | Linz
 - Sharing insights into other cross-border cooperation in the field of entrepreneurship (Tirol | Southtirol – idea challenge).
- Creation of a systematic package of high level services supporting the set up and growth of innovative SMEs/startups within the program area
 - Mobilization schemes
 - Softlanding
 - Deployment of a high level cross border entrepreneurial mentoring program
- Development of an educational program on entrepreneurship and piloting it within the project area
- Recognizable increase in entrepreneurial activity in the area (e.g. in terms of events)
- Significant change in regional entrepreneurship culture, national recognition by relevant stakeholders

Following on from the various measures implemented in the different domains of an entrepreneurial ecosystem, the approaches will be pursued and propagated. Therefore we have to focus onto the cross-border level, because of the critical mass of entrepreneurs in these regions Carinthia, Friuli Venezia Giulia and Veneto. Each region is more or less too small to provide the whole soft and hard infrastructure to force entrepreneurship. The created synergies in the project

represent a base from their the involved stakeholders are able to create and develop further services, measures and initiatives to grow the Entrepreneurial Ecosystem. Cultural interventions helping change social norms to support entrepreneurial endeavors – this could be reached because of the two nationalities which are involved.

Future Visions

Based on the intensive work, started 2013, where the first meetings for creating a cross-border ecosystem have taking place, based on a 2014 signed Memorandum of Understanding, between some of the, in this EES-AA project, involved partners and based on the activities in the project »Entrepreneurial Eco-System Alpe Adria«, the partners commit to develop and force the Entrepreneurial Eco-System Alpe Adria.

Helpful for this future process are the established network connections, also to international partners and stakeholders, which were build up during the project-phase.

The network of the project-partners (KWF, FINN, LSP, t2i, build!) is open to all other stakeholders active in the development of the ecosystem, provision of support services, active in the fields of access to innovation, knowhow regarding funding opportunities for ventures, technology transfer, shared knowledge, acceleration services and transnational collaborations.