



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Entrepreneurship in Europe: Cluster support for start-ups and scale-ups

Summary



EU Clusters Talks
20 March 2024, 8:30 – 9:45 CET

An initiative of the European Union





Entrepreneurship in Europe: Cluster support for start-ups and scale-ups

The European Cluster Collaboration Platform, on behalf of the European Commission, organised the EU Clusters Talk “Entrepreneurship in Europe: Cluster support for start-ups and scale-ups” on 20 March, 8:30 – 9:45 CET, to discuss the importance of start-ups and scale-ups for the European economy, showcase good practices to support them, and give an outlook on further actions that are needed to foster entrepreneurship.

Agenda of the meeting

Moderation: Zivile Kropaite

1. News from the European Cluster Collaboration Platform
2. Access to finance for start-ups and scale-ups
Armando Melone, Policy Officer, DG GROW, European Commission
3. Panel debate
Anna Tórz, International Cooperation Officer, Poznan Science and Technology Park
Catriona Murphy, Cluster Manager, Ireland South East Financial Services Cluster
Martin Rabe, Head of Stratofare, it's OWL Clustermanagement GmbH
Raffaella Bruzzone, Chamber of Commerce Genova, Enterprise Europe Network
Stéphanie Schohn, Ecosystem Director, Pôle SCS
4. Funding opportunities

Key messages

- The "InvestEU" programme is an important initiative to support the start-up scene in Europe. It decentralises financing and encourage cross-border investments to create a strong capital market across the EU.
- Cluster organisations have different approaches to start-up and scale-up support. They range from customised and value-added services to mentoring and partnership programmes as well as venture clienting models.
- The Enterprise Europe Network can support companies with services including business assessments, growth opportunity identification, and capacity building for accessing finance.
- The speakers advocated for a “European” way to start-up support to leverage the EU’s unique value proposition of the Single Market.



1. News from the European Cluster Collaboration Platform

After the introduction by moderator Zivile Kropaite, the following news items were presented:

1. Register now for the [European Cluster Conference](#) on 7-8 May 2024 and the matchmaking event.
2. Register for [Clusters meet Regions in Milan](#), Italy, on 26-27 March 2024.
3. Save the date for [Clusters meet Regions in Graz](#), Austria, on 18-19 June 2024.
4. Free trial of the [Trend Universe](#) for all ECCP users with a profile and innovation trends

2. Access to finance for start-ups and scale-ups

Armando Melone, Policy Officer, DG GROW, European Commission

Armando Melone spoke about the funding and investment landscape for SMEs, startups, and scale-ups in Europe, highlighting their essential role in promoting innovation. Even though Europe has a **solid base** in academic and practical research, the region struggles to turn these innovations into profitable ventures due to a **noticeable lack of financing**, e.g., compared to the United States. The Commission is taking action to tackle these challenges with various initiatives and programmes. One of these is the **"InvestEU" programme**, which is backed by a €26 billion guarantee from the EU, to provide financial instruments through implementing partners such as the European Investment Bank Group and a network of national and local financial intermediaries. This method aims to **decentralise financing** and encourage cross-border investments, and thus create a strong capital market across the EU. Furthermore, equity and guarantee schemes tailored for SMEs, startups, and scale-ups support objectives ranging from competitiveness and innovation to digitalisation and sustainability, employing financial products that encourage investment and facilitate risk-sharing among stakeholders.

Armando Melone also explained the support offered by the **European Innovation Council (EIC)**, which covers early-stage development and scale-up phases through grants and direct equity investments. The EIC's Pathfinder, Transition, and Accelerator components aim to encourage innovation from idea to market readiness. Furthermore, he introduced the **European Tech Champions Initiative** as a strategic answer to the need for larger investment funds for scale-ups, addressing the crucial lack of significant financing options in Europe. This initiative intends to attract institutional investors and bridge the big funding gap for businesses that want to scale.

Closing the presentation, he presented the **Capital Markets Union** project as a crucial policy initiative that seeks to integrate and improve Europe's capital markets. It aims to facilitate access to finance for startups and scale-ups by eliminating regulatory obstacles and addressing national market segmentation, thus supplementing direct financial actions.



3. Panel debate

The panellists spoke about their activities and views on the best ways of supporting start-ups and scale-ups, the challenges they are facing, and their ideas on how to define a “European” approach to the topic.

Anna Tórz presented how the Poznan Science and Technology Park supports start-ups and scale-ups through various projects and programmes. Their approach is based on three primary challenges that the companies encounter: **acquiring clients, expanding into new markets, and securing funding**. To acquire clients, they offer a **corporate-start-ups collaboration programme** to facilitate connections based on specific challenges that corporates face, allowing startups to propose and deliver solutions. International expansion efforts are met with direct connections with potential clients and business support institutions that offer soft landing programmes. They organise **market discovery missions** to help start-ups understand new markets and make informed decisions about potential expansions. Addressing the challenge of funding, Anna Tórz mentioned the "Ready to Scale" **accelerator**, which offers up to €60,000 to deep tech start-ups across Europe, targeting those with TRL5 or higher. The grants are versatile, allowing for product development, business travels, and purchasing external expertise. The speaker emphasizes the goal of enabling start-ups to **independently seek mentorship and consultancy** without direct “handholding”. Furthermore, the Technology Park has established a robust network and collaborates closely with business angel networks to facilitate access to finance.

Martin Rabe introduced the “Stratofare” initiative from the German cluster it’s OWL in North Rhine-Westphalia. To help start-ups and bigger businesses work together better, the cluster started this **venture clienting initiative** - a new way of corporate-startup collaboration. Venture clienting is meant to make start-ups suppliers for bigger, more established companies. This model involves a bigger company giving a start-up a **project budget** to create a prototype, using their solution or technology for a product or process of the company. Martin Rabe explained that the venture clienting model has benefits for both sides. Start-ups receive an important cash flow without having to give up shares or intellectual property. It also gives them useful early-stage references through partnerships with well-known companies. For bigger companies, it offers a lower-risk and faster option than corporate venture capital, producing quick, concrete results. The venture clienting model is especially attractive to tech or deep tech start-ups that have trouble generating early cash flow while wanting to keep equity. It is also a **strategic opportunity** for the EU to establish itself as a premier market for scaling businesses, including those from outside the EU. By sharing experiences of collaborations with start-ups from regions such as Southeast Asia, Martin Rabe highlighted the EU's potential to attract global start-ups seeking alternatives to the traditional markets of the U.S. and China. The EU's unique value proposition, including open borders and a single market, can, once understood, can reveal significant advantages for start-ups looking to scale.

Catriona Murphy explained their cluster’s proactive engagement with start-ups and scale-ups, emphasising their crucial role in the region’s economic growth and industrial transformation. In their case, a rapid-scaling company has become a **mentor or "big brother"** to newer, smaller companies, serving as a model of transformation and success. She highlighted the unique challenges and opportunities within the financial services sector, including the complexity of catering to diverse needs such as cryptocurrency, foreign exchange, insurance, or specific coding projects. This tailored approach allows for a close collaboration between start-ups and larger entities to **identify and address mutual**



pain points. She also drew on the metaphor of David and Goliath to advocate for creating synergies between small and medium-sized enterprises (“Davids”) and larger corporations (“Goliaths”). She suggested implementing **tax incentives** to encourage these larger entities to collaborate more openly with smaller, innovative companies located in their ecosystem.

Stéphanie Schohn explained that their cluster's main goal is to create **added value services** to help start-ups and scale-ups, recognising the difficulties of providing significant value to large corporations besides R&D project support and promoting open innovation by connecting them with smaller entities. These added value services go beyond basic networking and event organisation. They tackle for example essential areas like compliance with emerging regulations in Europe like the Cybersecurity Act and Cyber Resilience Act. The cluster has a key role in making sure that its members have the required resources and expertise to comply with these regulations, thus facilitating market access. Moreover, the cluster is involved in dealing with **private equity issues**. This is a vital concern in France where access to public funding often depends on having enough equity. The cluster works at a national level to overcome the regional isolation faced by companies outside of Paris, aiming to improve their visibility among private investors concentrated in the capital.

Raffaella Bruzzone highlighted the importance of close **cross-border collaboration with neighbouring regions**, as it is done by the Enterprise Europe Network (EEN). The speaker noted a general lack of awareness among SMEs about certain financial opportunities. The EEN services include overall business assessments, growth opportunity identification, and capacity building for accessing finance, e.g., for using programmes like InvestEU as well as equity and debt financing channels. Through collaboration with various stakeholders, including business angels, VC representatives, and other business support organizations, the EEN also facilitates connections with technological and financial partners across Europe and beyond, employing a **"client journey" approach**. These partnering opportunities are a vital component of start-up growth and evolution into scale-ups.

Armando Melone reflected on the complexity of aligning national and regional plans with available European funding, acknowledging the varied needs across sectors. Identifying and prioritising the most crucial areas for driving competitiveness and growth within Europe is an important task. He also stressed the importance of cultivating a **culture** that embraces fresh, innovative companies. To do this, he advocated for a **diversified approach to funding**, emphasizing the necessity of prioritizing investments, especially with regards to limited public resources.

The panellists concluded the discussion by sharing their opinions on how start-ups can be **supported in a “European” way**. Anna Tórz stressed the importance of providing **customised support** during the scaling phase and addressing the specific needs of start-ups, which vary a lot depending on their growth stage and industry. She said this was a complex but effective way to deliver relevant support to start-ups, even though it might be difficult to administer and justify according to general funding criteria. Raffaella Bruzzone emphasised **partnering services** that help connect start-ups, scale-ups, and different stakeholders in the public and private sectors. Moreover, she said developing **competencies and matching workers** with employers are essential to bridge the gap between what companies need and what the talent market offers. Stéphanie Schon acknowledged the problem of **keeping AI talent** in Europe, as many skilled and educated people in the AI field tend to move to other regions for better opportunities. She suggested that securing significant investment in AI and tech start-ups could help Europe create an ecosystem that fosters local talent and attracts professionals from other places. Catriona Murphy called for a more harmonised and inclusive approach to education and talent



development across Europe, proposing a **European Passport for education in digital skills**. This initiative would aim to improve and standardise digital education and training across Member states, targeting not just young people but also older groups. Martin Rabe asked for a comprehensive strategy that focuses on **clear technological and material priorities**, smart investments into areas where Europe has a competitive edge, an **analytical approach to success stories**, and an improved collaboration within the EU's internal market for new cross-border partnerships.

4. Funding opportunities

Closing the EU Clusters Talk, Nina Hoppmann shared the following examples of funding opportunities:

1. [EEN Energy Efficiency Action Call](#); deadline 15 April 2024
2. [Innovation Fund 2023 Net Zero Technologies – General decarbonisation](#) (Small-Scale Projects, Medium-Scale Projects, Large-Scale Projects, Pilots, Manufacturing); deadline 9 April 2024
3. [Emerging energy technologies for a climate neutral Europe](#); deadline 18 April 2024
4. [Energy Data Space](#); deadline 29 May 2024
5. Opportunities for SMEs: Calls from Euroclusters; published on [European Cluster Collaboration Platform](#)