

“Overcoming barriers to high-growth firms in Europe:
the start up to scale up approach
of EIT ICT Labs”

Part of PhD dissertation

*“Shifting Paradigms for European Innovation Policy:
From Trans-National Collaboration in R&D (Links) to
Pan-European Entrepreneurial Ecosystems (Hubs)”*

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Scope and objectives of the PhD

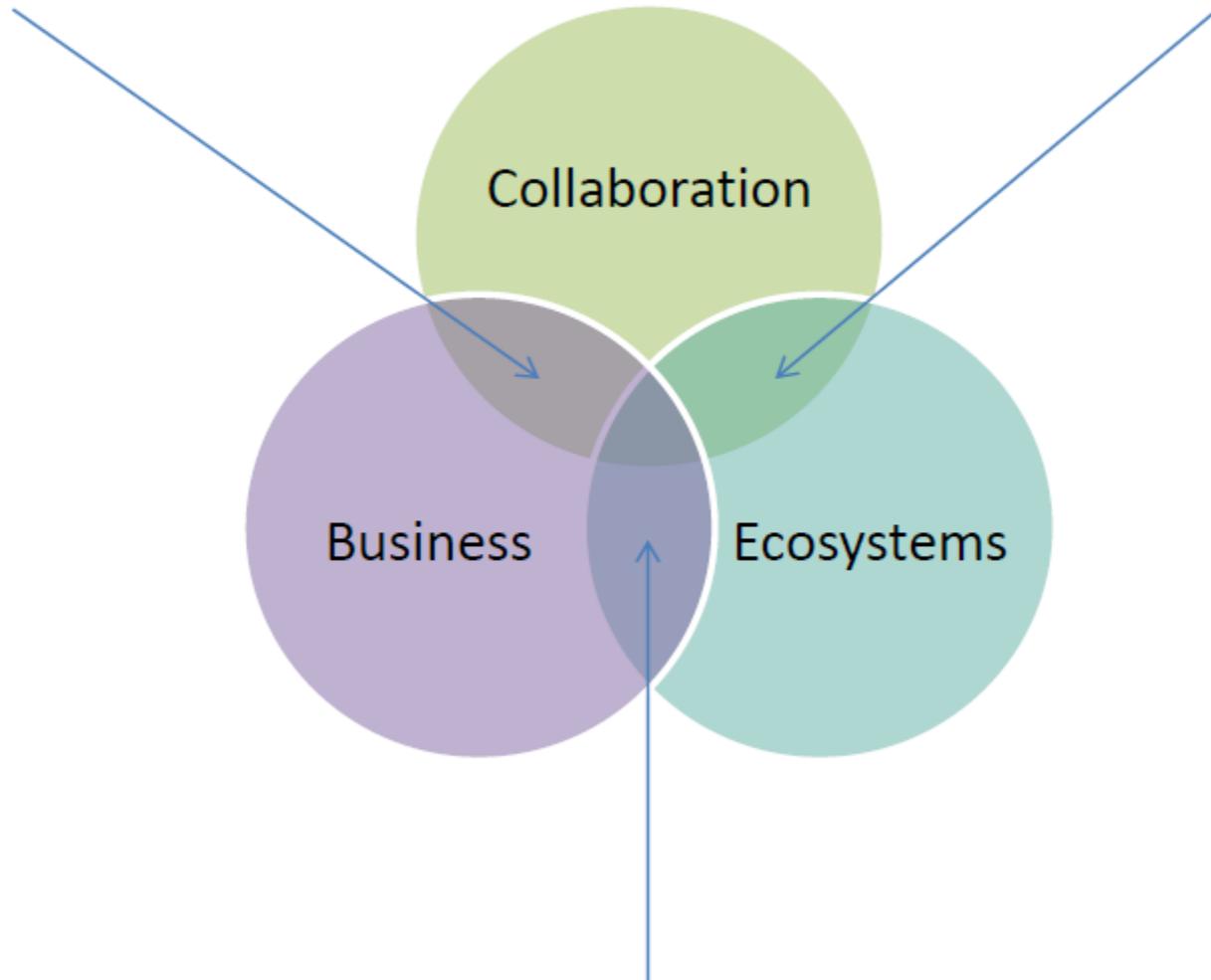
- Identify rationales for European-level interventions fostering Trans-national Cooperation in R&D (the established paradigm) and the added value for established firms, SMEs in particular
- Codify unique features of the EIT regarding governance, management and content in building-up Pan-European ecosystems (emerging paradigm) to nurture new firms.
- Critically assess both paradigms through EIT ICT Labs encompassing former schemes (carriers)+new (catalysis).

Section I : Business R&D

BY EXISTING FIRMS

Section II : EIT & KICs

NEW FIRM CREATION



Section III : High Growth Firms

REMOVING BARRIERS

- CONCEPTUAL RESEARCH:
Building Pan-European
Innovation Ecosystems: The
EIT's co-creation approach for
new innovation models

The 'European Institute of Innovation and Technology' (EIT) integrates the Knowledge Triangle through its 'Knowledge and Innovation Communities' (KICs)



Research questions

- Regarding governance: What foundational features make EIT partnerships with its KICs unique in European innovation policy terms?
- Regarding management: How does the EIT tries to make a difference in the way it manages its partnerships and operations with its KICs?
- Regarding content: What value propositions does EIT generate through its KICs?

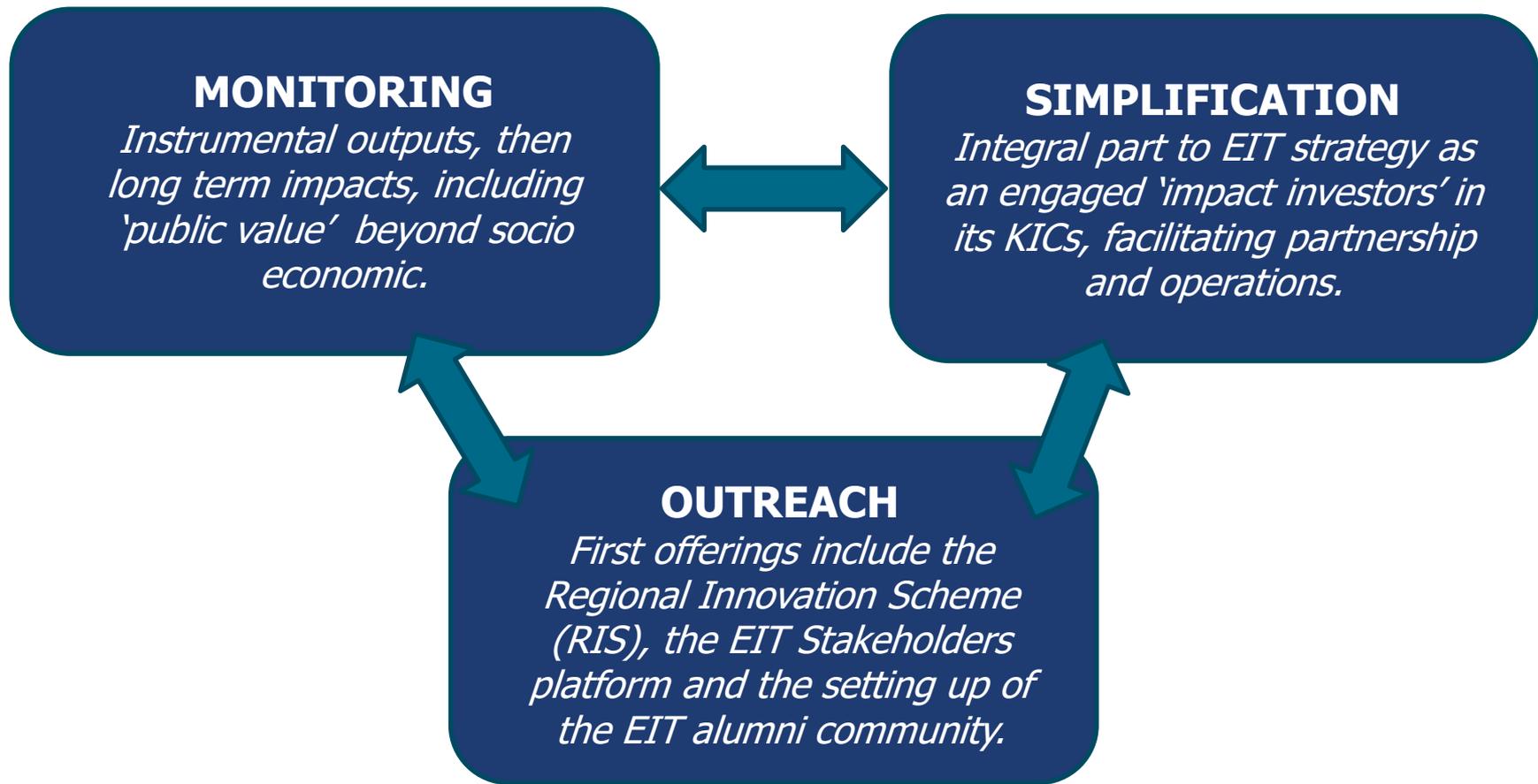
WHAT MAKES EIT/KICs UNIQUE? (1/3)

Governance: FOUNDATIONAL FEATURES

- EIT-KICs as forerunners of ‘communities-driven innovation’ schemes for grand societal challenges
- KIC Co-location Centers : inter-connected innovation hubs/hot spots ‘melting’ knowledge and skills
- Overall EIT-KIC innovative governance as an ‘entrepreneurial impact investment institute’

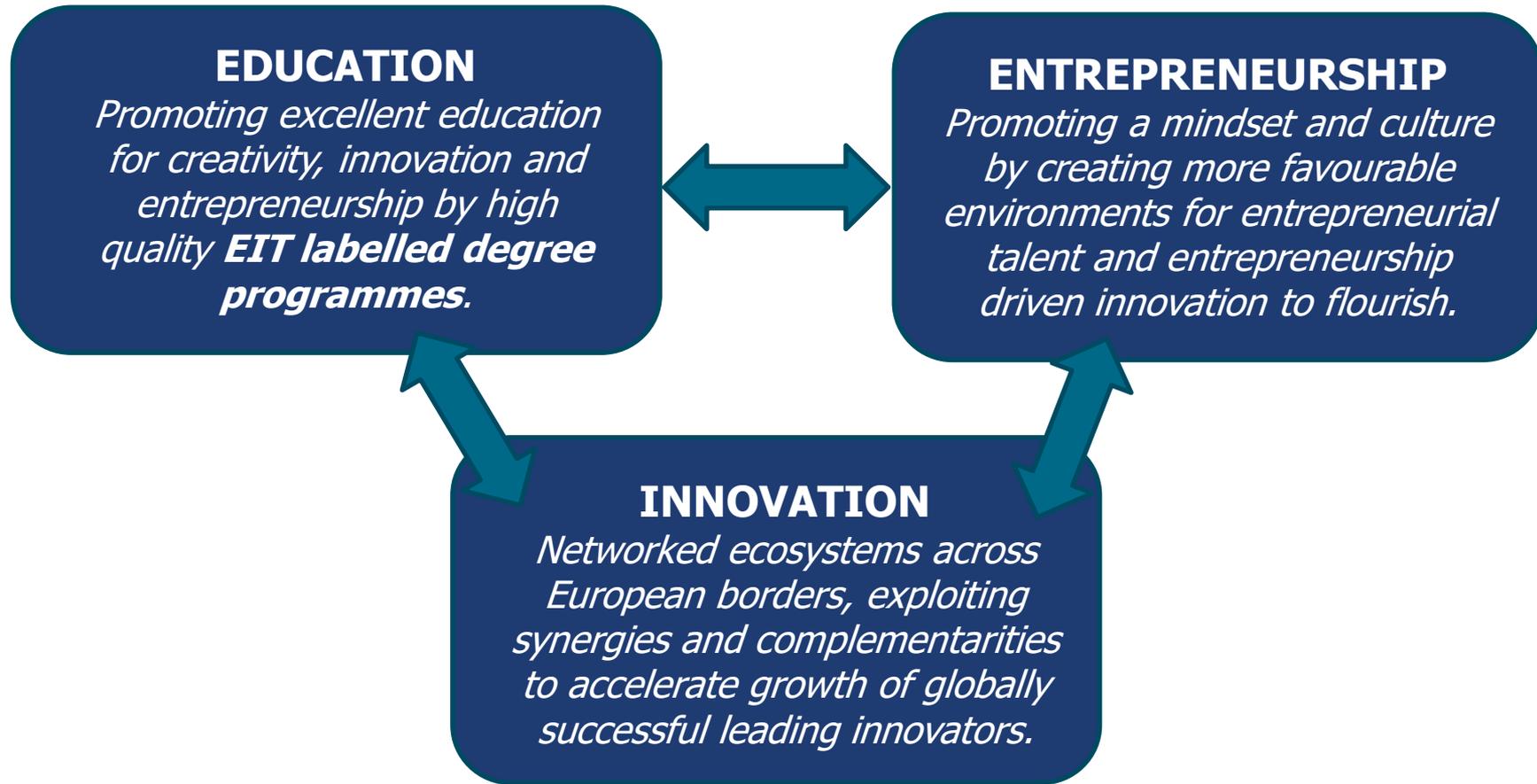
WHAT MAKES EIT/KICs UNIQUE? (2/3)

Management: 'HOW TO' AGENDAS



WHAT MAKES EIT/KICs UNIQUE? (3/3)

Content: 'WHAT TO' AGENDAS



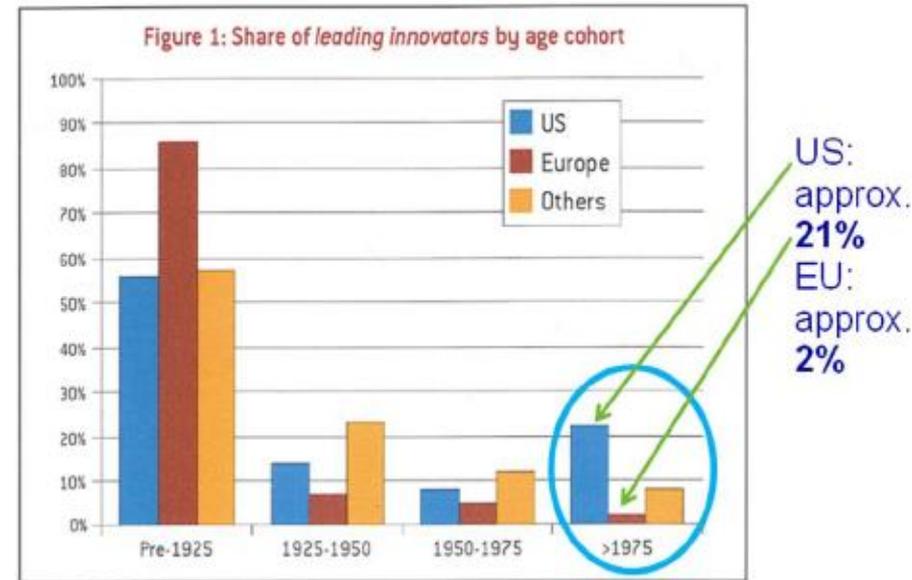
Results from conceptual research

- Reasoned conclusions are put forward about the degree of novelty of the EIT for the European innovation policy, concerning in particular new business creation by:
 - Codifying the value propositions of the KICs, in three dimensions governance, management and content, as a novel contribution to the limited literature on EIT.
 - EIT a priori 'distinctive factors' are set compared to former European-level interventions.
- Subsequently, the findings are applied to a practical case study : EIT ICT Labs.

- EMPIRICAL RESEARCH:
Overcoming barriers to high-growth firms in Europe: the start up to scale up approach of EIT ICT Labs

Europe was once a continent of entrepreneurs ...

- The relative number of **world-leading ‘young’ innovative firms** (with less than 25 years) in the last quarter of the 20th century is 10 times smaller in the EU compared to the US.
- The ‘innovation gap’ of the UE-US is explained to a large extent by missing **high growth firms**, in ICT in particular



Created in 2008, the **EIT** is a policy experiment to boost European innovation via long-term partnerships or ‘Knowledge and Innovation Communities’ (**KICs**) fostering Pan-European Entrepreneurial Ecosystems facilitating people-driven innovation

Research questions

- What are the policy rationales for cross-border incubation / acceleration? To what extent does the KIC 'seamless support' represent a new model for Europe?
- EIT ICT Labs as a Case Study
- Can KICs make a true difference in helping new firms overcome barriers and scale up? What factors are missing? Critical assessment

Practical case study : EIT ICT Labs

- EIT ICT Labs: the ICT KIC
- Operative since 2010
- 15 years vision

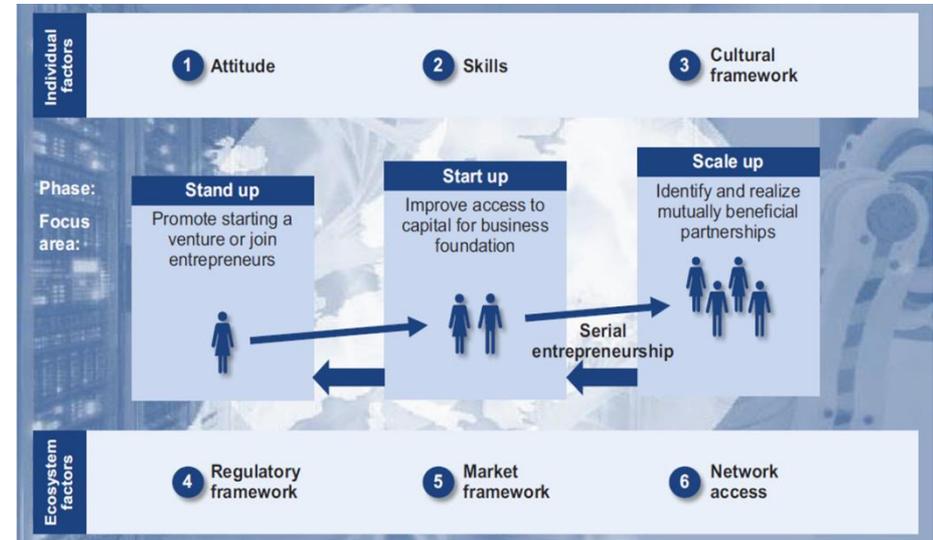
Starting point: Identify the services provided by EIT ICT Labs' Business Developers to create and grow new firms.

Motivation: How does actually EIT ICT Labs' try to remove barriers to growth in practice?



Methodology and field work

- 10 structured interviews to *business developers* (1/3 population)
- A representative EU distribution
- Analysis of the literature (Coad et al. 2014)
- 5 factors questionnaire:



1. Finance supply side factors : access to finance, cash flow,
2. Talent supply side factors : recruiting staff, skills shortages, skilled labour
3. Organisational factors : managerial skills, availability and cost of premises
4. Demand side : difficult customers, market size
5. Context factors : bureaucratic/regulatory barriers, strong competition, lack of support from State, complicated taxation/high taxation, unfavourable business cycle, high labour cost, non-entrepreneurial culture

Results: added value (+) & room for improvement (-)

- ++ European Dimension e.g. 'Soft Landing' is perhaps the most distinguishing feature compared to other initiatives*
- + ' Access to finance : EIT ICT Labs figure emerges as neutral intermediary and trans - national*
- + HR .: master and doctoral schools : great potential for access to networks and training equipment*
- + ' Entrepreneur in Residence' : incorporating highly professional managers , and this from a European perspective .*
- Services conditioned by the profile of the business developers .
Need for harmonization .*
- Contextual factors : weaker factor (eg regulation) cf ' European Innovation Partnerships '*