

The logo for FORA, consisting of the letters 'FORA' in a serif font, centered within a dark blue square. The square is divided into four quadrants by a thin white cross.

FORA

Regionale Entrepreneurship
Infrastructures -

Presentation of key findings

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Regional Entrepreneurship Infrastructures

Definition

The entrepreneurship infrastructure concerns the scope and quality of all parties providing entrepreneurs and new businesses with external business advice.

Regional entrepreneurship infrastructures

Sources of external business advice:

- > Private business service providers
- > Public business service providers
- > Peers, experienced entrepreneurs, CEOs of established companies, etc.
- > Established firms
- > Universities

Market facilitators

- > Network organisations
- > Incubators
- > Other public or private market facilitator-organisations

Why study regional entrepreneurship infrastructures?

	A total measure of the framework conditions relating to entrepreneurship				
Drivers of Entrepreneurial performance	Opportunities	Capital	Ability	Incentives	Culture
Policy areas with significance for Entrepreneurial performance	Deregulation/Entry Barriers	Loans	Business education	Personal Income tax	Communication about heroes
	Access to foreign markets	Business Angels	Entrepreneurship education	Corporate taxes & Fiscal incentive	Introducing Entrepreneurship In primary schools
	Procurement regulation	Private equity firms	Experience	Social security discrimination	
	National/Global demand conditions	Venture capital	Entrepreneurship infrastructure	Administrative burdens	
	Knowledge transfer	Stock markets or alternative exits	Co-operation	Labor market regulation	
	Test facilities	Wealth & bequest tax		Bankruptcy legislation	
		Capital taxes		Campaigns	
				Initiatives towards Specific groups	

Why study regional entrepreneurship infrastructures?

Entrepreneurs benefit from good access to a broad selection of external business service providers.

- > Outsider assistance can have a substantial effect on new venture start-up, survival & growth (Chrisman & McMullan 1999, 2004)
- > Private business service providers (banks and accountants) are important to the success of entrepreneurs and new firms (The Danish GrowthFond, 2005)

Approach

> Qualitative approach

Pros:

- > What constitute effective entrepreneurship infrastructures?
- > What type of actors are involved?
- > What role does public policy play in the provision of business service to entrepreneurs?
- > What policy instruments can be used to improve the entrepreneurship infrastructures?

Cons:

- > Existence or size of market failures
- > Effect of specific policy programs

Market failures as a rationale for policy intervention

“Market failures”:

- >Entrepreneurs and small firms are disfavoured because of size;
- >Asymmetrical information;
- >Ignorance;
- >Spill-over effects;
- >Under-investment in competencies on the supply side

Gab between the knowledge possessed by the entrepreneur and the knowledge required for successful venturing

Regions studied

Regions included in synthesis presentation

- > Kitchener-Waterloo region (Canada)
- > Jena region (Germany)
- > Zuidoost Noord-Brabant & Noord Limburg (Netherlands)
- > Northern Jutland (Denmark)

Regions not included

- > Piemonte region (Italy)
- > Entre duo e Vouga (Portugal)

Kitchener-Waterloo region (Ontario, Canada)

- > **The Region:**
Revitalised manufacturing region - from rubber, textile and leather to technology (RIM) and automobile (Toyota)
- > **Entrepreneurship infrastructure:**
A high degree of cooperation & networking between entrepreneurs, universities, established firms, and BSP's – especially within tech sector.
- > **Main actors in entrepreneurship infrastructure:**
Communitech, Universities,
Canada's Technology Triangle (CTT),
Large tech companies
- > **Historical drivers of the entrepreneurship infrastructure?**
Education institutions (training & spin-offs),
culture,
government investment,
Toyota.

Jena region (Germany)

- > **The Region:**
Former Eastern Germany region
Knowledge-based economy: Optics, biotech, image technology, software.

- > **Entrepreneurship infrastructure:**
A number of networks sparked and supported by public authorities
Strong ties between universities and industry (established firms as well as entrepreneurs)

- > **Main actors in entrepreneurship infrastructure:**
Federal ministries
Networks: Get-Up (Thüringer Gründer Netzwerk), BioInstrumente©, Optonet
Established firms: Jenoptik (Carl Zeiss Jena), InterShop.
Universities

- > **Historical drivers of the entrepreneurship infrastructure?**
Jenoptik
Federal policies
Universities

Southeast Noord-Brabant & Noord Limburg (Netherlands)

- > **The Region:**
 Manufacturing region – electronic and optical equipment industry
 High-tech multinationals like Phillips and DAF Trucks
 Most innovative region in NL

- > **Entrepreneurship infrastructure:**
 Networked: Highly cooperative group of companies, knowledge institutions and government organisations.
 Fragmented public infrastructure: A wide array of (publicly initiated) intermediate organisations and programs

- > **Main actors in entrepreneurship infrastructure:**
 SRE (Collaboration Regio Eindhoven) 22 municipalities
 Syntens
 Phillips

- > **Historical drivers of the entrepreneurship infrastructure?**
 Cooperative culture has stimulated creation of networks – Triple Helix model
 Phillips
 Governmental drivers of network development

Northern Jutland (Denmark)

> **The Region:**

Diversified economy – small but vibrant high tech clusters and strong traditional sectors

Economy dominated by SMEs

> **Entrepreneurship infrastructure:**

Program structure rather than infrastructure

Publicly driven, general structure consisting of a large number of network organisations and activities.

Lack of focus on entrepreneurs with growth potential

> **Historical drivers of the entrepreneurship infrastructure?**

EU and other kinds of public funding

A culture of cooperation

Main actors

- > Private business service providers
- > Government and semi-governmental organisations
- > Established firms
- > Universities
- > Networks
- > Incubators

The private business service infrastructure

Similarities:

- > Supply of standardized services is satisfactory
- > Specialised experts only exist within the main clusters
- > "One size fits all" - Limited flexibility and adjustment in services & fees

Differences:

- > Training and education

Cases:

- > Bar association & DATEV (Germany)

Governmental & semi-governmental organisations

Similarities:

- > Governmental and semi-governmental organisations primarily act as broker or facilitator rather than as a direct provider.

Differences:

- > Depth of public involvement and degree of coordination

Cases:

- > Broker organisation (Denmark)
- > Vouchers (Germany, Netherlands)
- > Mentoring networks (Denmark)

Established companies

Similarities:

- > Established companies play some kind of role in most of the regions –Northern Jutland (DK) is the exception

Differences:

- > Specific role and involvement

Cases:

- > Jenoptik (Germany)
- > Rim and Open Text (Canada)
- > Phillips (Netherlands)

Universities

Similarities:

- > Universities play a huge role in at least three ways:
 - > Production of graduates,
 - > Research that can be commercialised, and
 - > Initiator & participant in networks

Differences:

- > Difficult to point to specific differences!

Cases:

- > IP-liberalism and Co-op programs (Canada)
- > Initiator and participant in industry networks (Germany)

Networks

Similarities:

- > Play a huge role in all the regional entrepreneurship infrastructures!

Differences:

- > There exist big differences in network configuration within and between regions
 - > Target group
 - > Participants
 - > Purpose
 - > Size
 - > Facilitator/driver

Networks

Cases:

- > Communitech (Canada)
- > BioInstrumente©, Optonet, etc. (Germany)
- > Connect (Denmark)

Incubators

Similarities

- > Incubators exist in all region. Some of them provide good access to business service, networking and university facilities, others are just office space!

Differences

- > ...
- > Cases:
 - > Towerbyte & BioCentiv/TIP (Germany)
 - > Phillips High Tech Campus (Netherlands)

Public Policy Implications

- > Facilitation instead of direct provision
- > Seek continuity
- > Streamline organisations
- > Same size doesn't fit all
- > Investment in development of expertise among the group of business service providers.
- > Regional entrepreneurship infrastructures might be too regional! A need for national and international linkages.

Danish regional entrepreneurship policy initiatives

The study of entrepreneurship infrastructures in Northern Jutland has been part of a larger project with the main objective of improving the business framework conditions in the region:

5 policy initiatives:

- 1) Creation of a GrowthNetwork
- 2) Strengthening of Connect Denmark
- 3) Early Warning System
- 4) Entrepreneurship-friendly Public Procurement
- 5) Regional Venture Capital Fund focused on enterprises with growth-oriented business plans