



# SUPPORT FOR ENTREPRENEURSHIP IN THE FUNCTIONAL AREAS

*March 18, 2024*

## Agenda

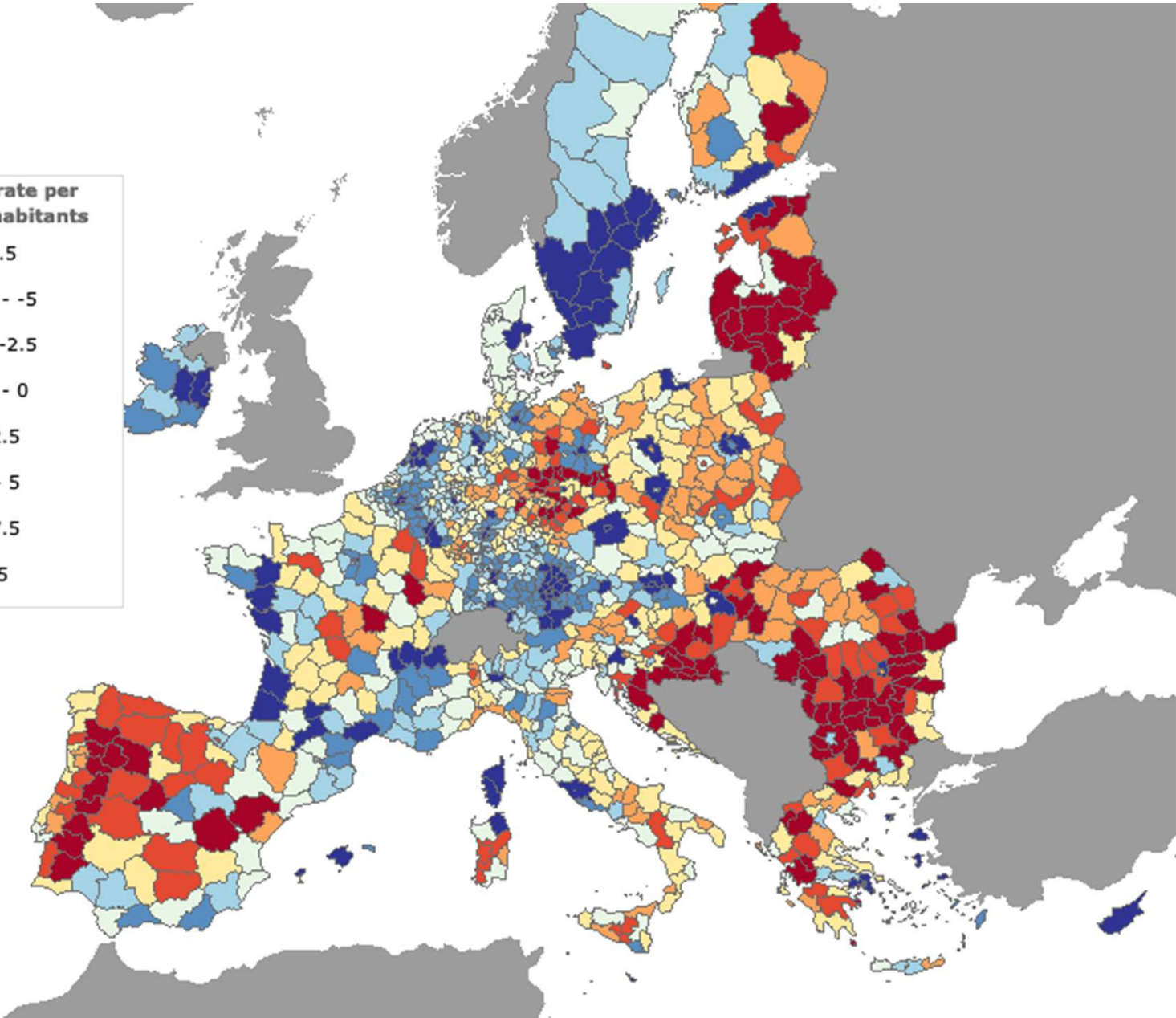
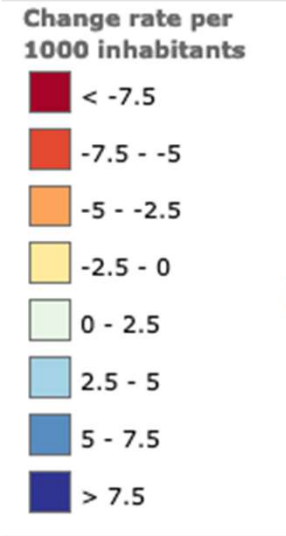
1. **Why** is it worth supporting entrepreneurship at the level of functional areas (OF)
2. **How** to build an entrepreneurship support system in OF
  - ❑ Living Lab for strategy's creation
  - ❑ Business Support Institutions portfolio mapping
    - ✓ Regional BSIs' network
    - ✓ One-stop-shop

Key points + QA

**Why?**



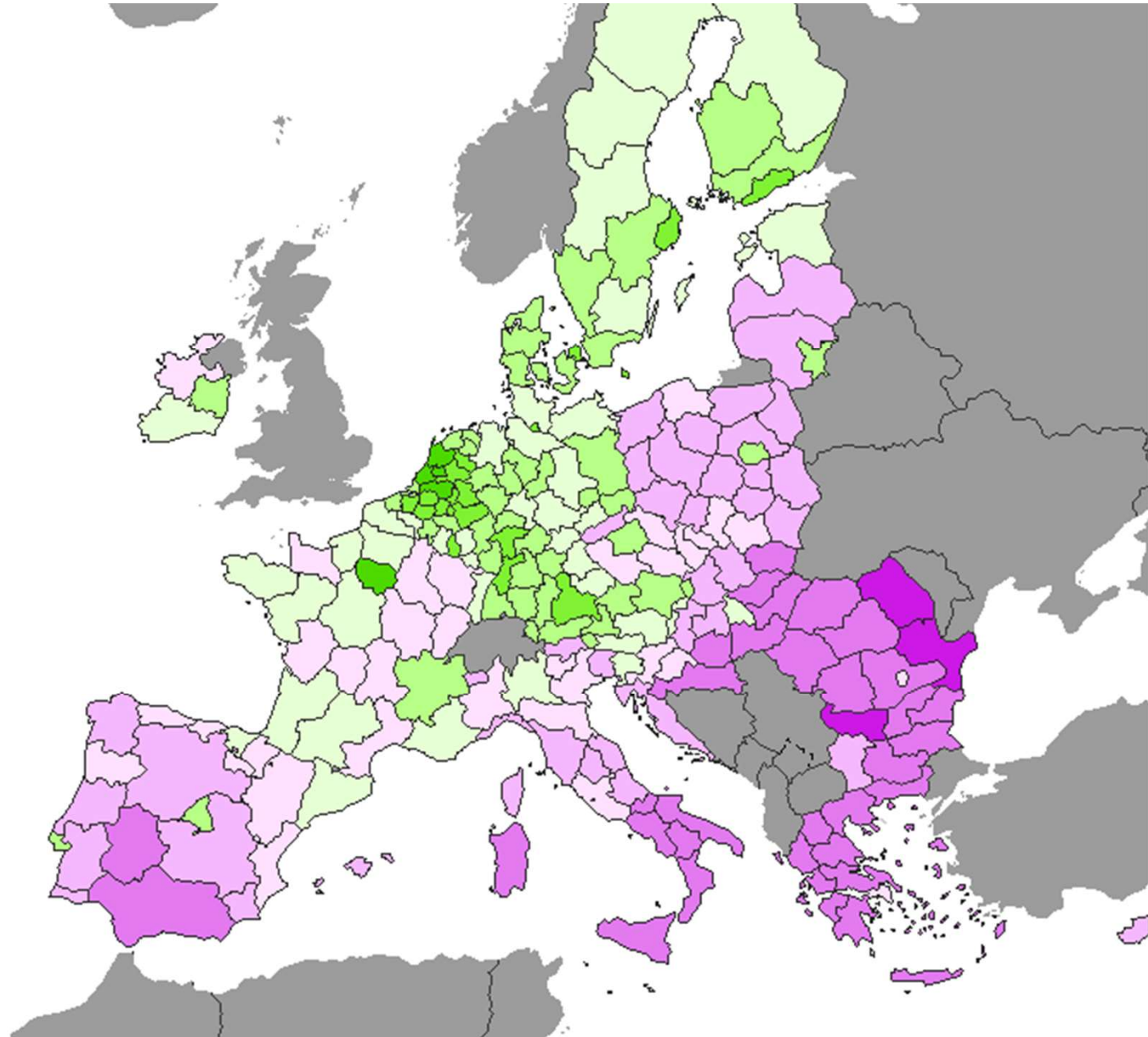
# Annual demographic changes by region in the period of 2010-2020

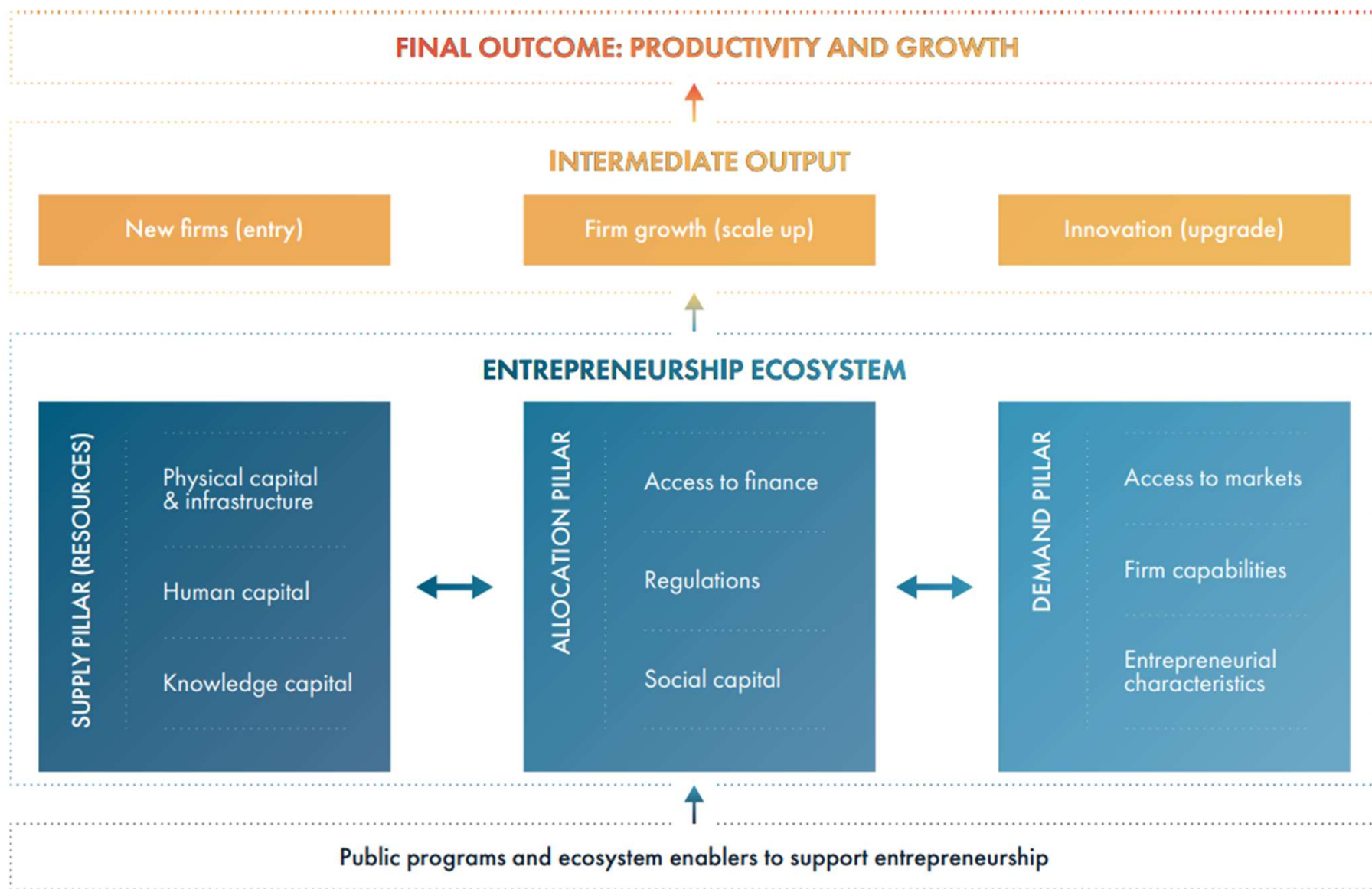


Source: Eurostat, 2023

**Differences in the competitiveness of regions in the EU (synthetic measure)**

**A strong economy, including an efficient labour market and entrepreneurial opportunities, are part of the *liveability* concept.**





Source: World Bank 2022.

# The development of the FA's entrepreneurial ecosystem should be divided into stages to achieve synergy.

1. Building a **coherent FA's economic strategy**

2. Strengthening OF's competitive position in selectively **attracting investors**

*Focus on regional smart specializations*

3. Strengthening the capabilities of BSIs in the field **of creating and scaling-up companies**

Stage 1

Stage 2

Stage 3

Living Lab

OF investment offer

One-stop-shop IOB

Regional BSIs' network

Goals

Tools

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# Living Lab



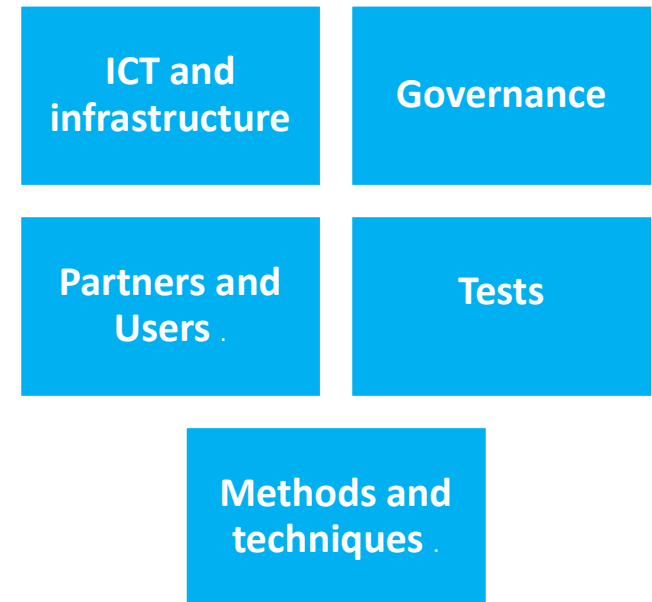
# **PARTICIPATIVE APPROACH (LIVING LAB) improves the consistency of solutions for the entrepreneurial ecosystem**

**Living Labs are open innovation networks in which stakeholders are systematically involved in the development of new solutions.**

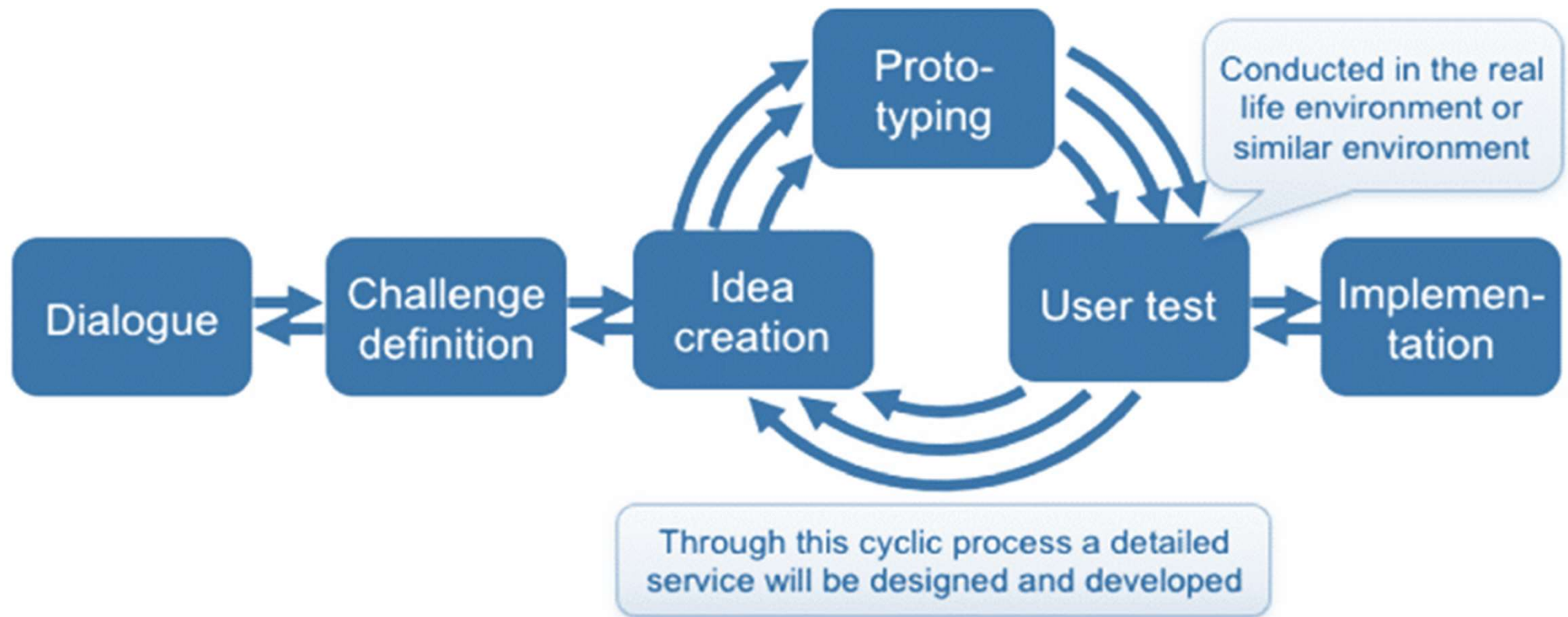
*Living Lab act as intermediaries/organizers among:*

- *citizens,*
- *research organizations,*
- *BSIs,*
- *NGOs,*
- *companies,*
- *public sector,*
- *local authorities.*

### *Living Lab Elements*



## Living Lab Process





Since 2019, the Styria Living Lab has been exploring how to exploit the connections between rural and urban areas to establish new and innovative business models.

## MAS Living Lab startup process

Example project:

WWW 4.0 Cooperative aims to promote **women's entrepreneurship/start-ups** from rural areas and promote their products and services

E.g. free webinars on effective company marketing on online platforms, coaching, support groups on Facebook

### 1. STEP

SETTING LIVING LAB GOALS

### 2. STEP

DIAGNOSIS OF RELATIONSHIPS BETWEEN RURAL AND URBAN MUNICIPALITIES

### 3. STEP

REGIONAL CROSS-SECTORAL EXCHANGE OF KNOWLEDGE

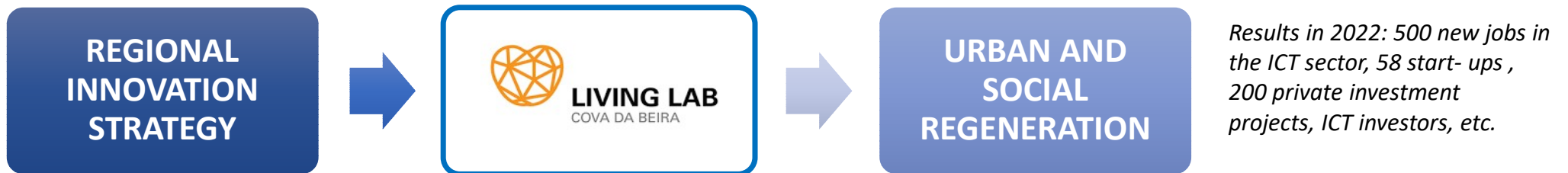
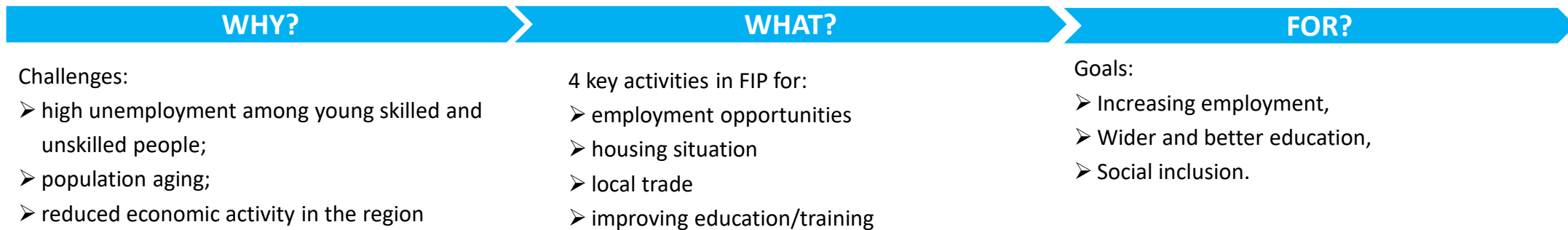
### 4. STEP

IDENTIFICATION OF GOOD PRACTICES FROM THE REGION

### 5. STEP

SCALE-UP CIRCULAR AND INTERMUNICIPAL PROJECTS

**In 2012, the Fundão Municipality established the Fundão Innovation Plan (FIP) and created the LIVING LAB COVA DA BEIRA as its implementation platform.**



*Cova de Beira elements*



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# Regional BSIs' network

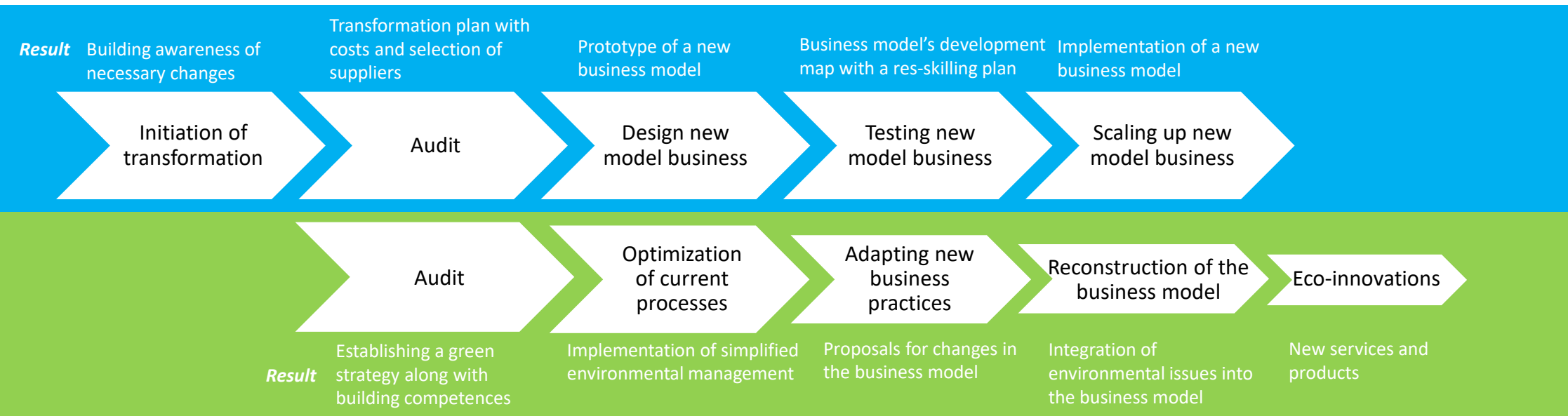
# Business Support Institutions (BSIs) are intermediaries between public policy goals and the private sector

### *Types of business support institutions*

Type	Objective
<b>Business incubator</b>	Support the development of early-stage businesses by providing them with resources, mentorship, and access to funding and business support services.
	Support firms from broader sectors than technology incubator.
<b>Technology park</b>	Provide a physical location for technology-based firms to benefit from a collaborative environment, shared resources, and access to research and development facilities.
<b>Technology incubator</b>	Support the development of early-stage technology-based startups by providing them with resources, mentorship, and access to funding and business support services.
<b>Technology transfer center</b>	Facilitate the transfer of technology developed in academic or research institutions to the industry and commercial sector.
<b>Innovation center</b>	Facilitate collaboration and innovation across different industries and sectors by providing a physical location for researchers, entrepreneurs, and businesses to co-locate and share resources and expertise.

# Regional model of BSI services to build sustainable competitive advantages for companies, corresponding to the transformational ambitions of the regions

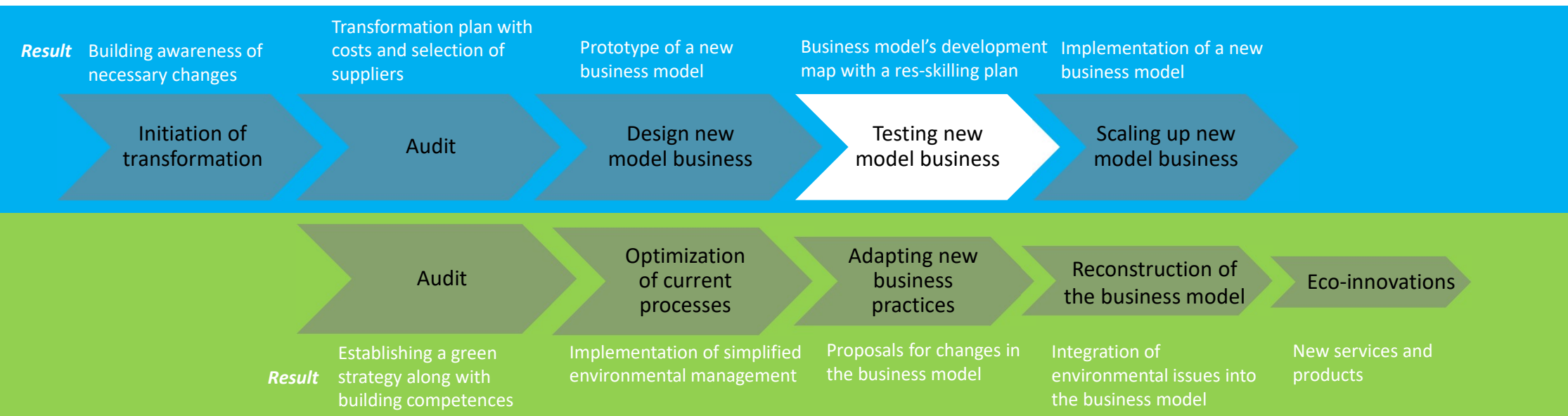
## Business component



## Greening component

## The model includes two components, each of which consists of five stages

### Business model component



### Greening component



# In each stage, we have defined actions that companies should implement with BSIs' support



### Actions

Testing a prototype of a new business model, collecting feedback and implementing changes

Development of a transformation map and necessary KPIs at the level of:

- human resources;
- technological processes;
- business processes.

Proof of concept development (including initial prototype preparation, demonstration/pilot implementation)

Preparing staff for technological and operational changes, along with a training and re-skilling plan.

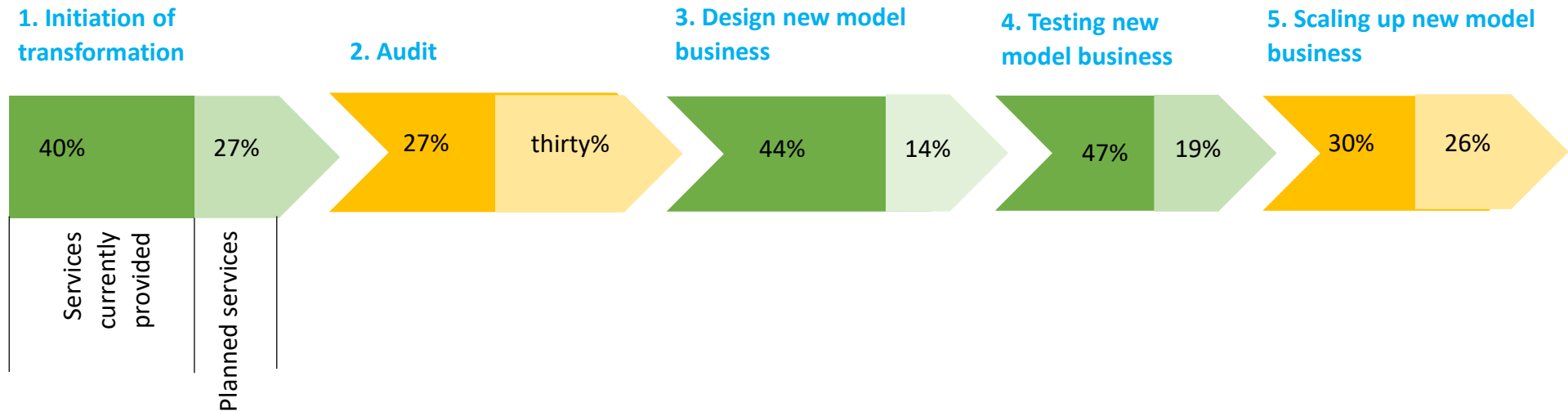
# We have assigned specific BSIs' services to the activities, along with competences and resources necessary to provide them



	Services	Competencies and resources
<b>Business</b>	<ul style="list-style-type: none"> <li>Development of an implementation plan with risk assessment. Financial, tax and legal consulting, HR. Intellectual property management. Financial services</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge about what can be obtained sources financing</li> <li>Experts tax and legal Land investment</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>Technological support</li> <li>Technology testing</li> </ul>	<ul style="list-style-type: none"> <li>A dvisors and trainers technological About the facility laboratory / demonstrator</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>Business education for entrepreneurship. Technical and organizational training for staff</li> </ul>	<ul style="list-style-type: none"> <li>Business trainers</li> </ul>
<b>Ecosystemic</b>	<ul style="list-style-type: none"> <li>Acquisition new business partners</li> <li>Networking</li> </ul>	<ul style="list-style-type: none"> <li>Participation in networks team</li> <li>Matchmaking</li> </ul>

# BSIs have a wide range of offerings in terms of creating and validating new business models, but support in scaling up them remains a challenge

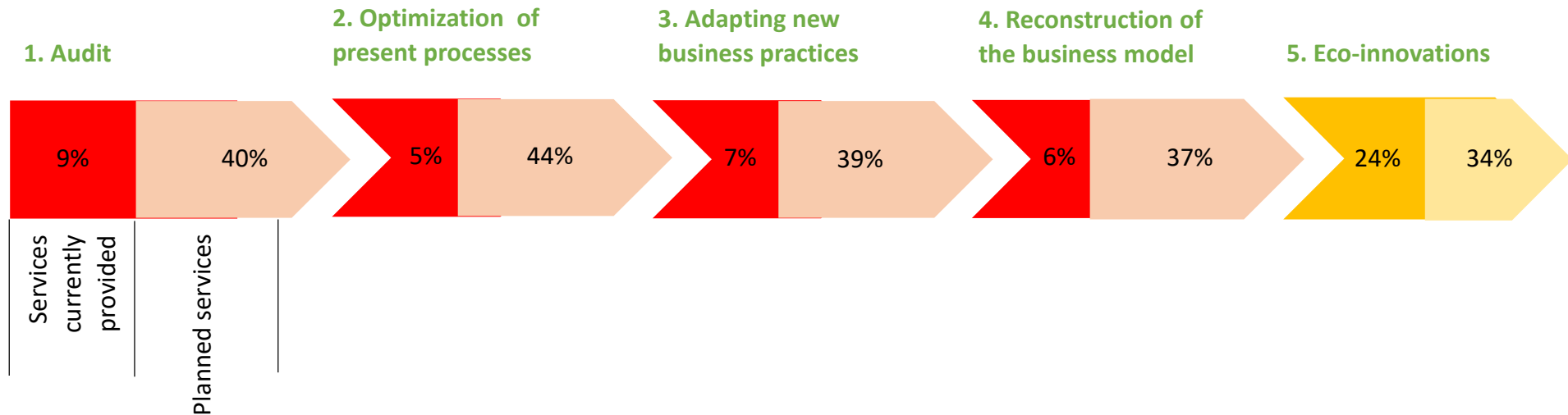
The share of services provided by IOBs from the business model component (N= 29 )



Source: own study; BM= business model; the graph does not add up to 100 because the answer about lack of willingness to provide the service was not taken into account, the values for individual services were averaged for a given stage

**At the same time, the offer of services supporting SMEs in reducing emissions, resource consumption and creating eco -innovations is much more limited**

Share of services provided by BEIs from the greening and climate component (N= 29 )

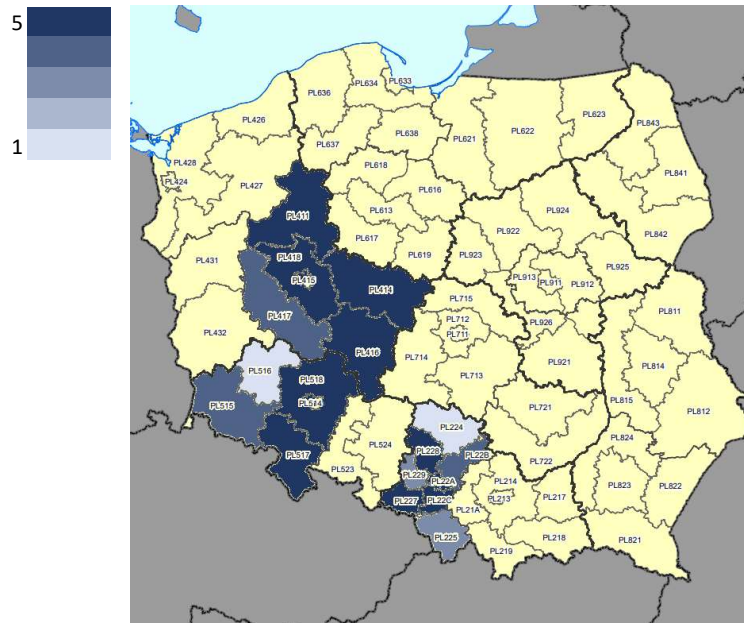


Source: own study; BM= business model; the graph does not add up to 100 because the answer about lack of willingness to provide the service was not taken into account, the values for individual services were averaged for a given stage

# The business model component services were available in all regions, with a very limited service offering from the greening component

Number of stages of the transformation process supported by BSIs active in a given subregion (N=29)

Business model component



Greening component

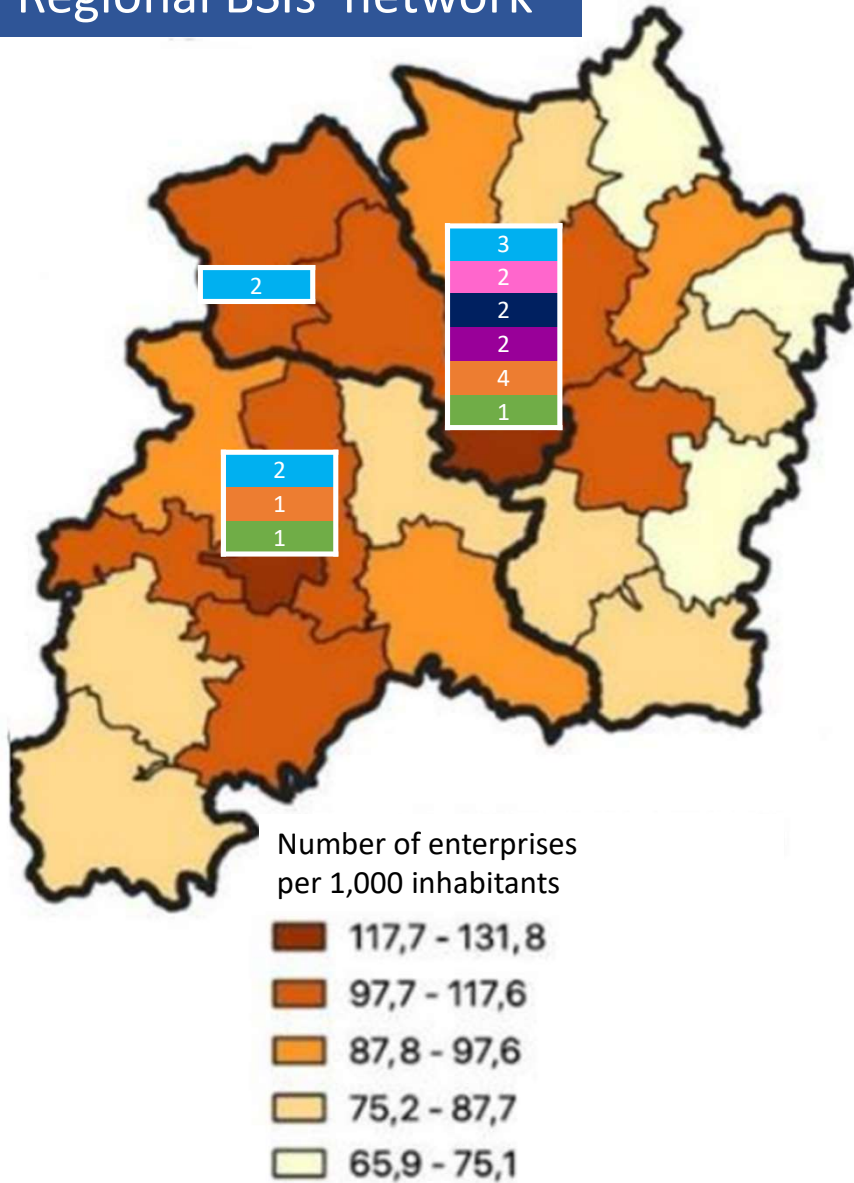


## Regional BSIs' network

CASE STUDY:

Kalisko-Ostrowska Agglomeration, Poland

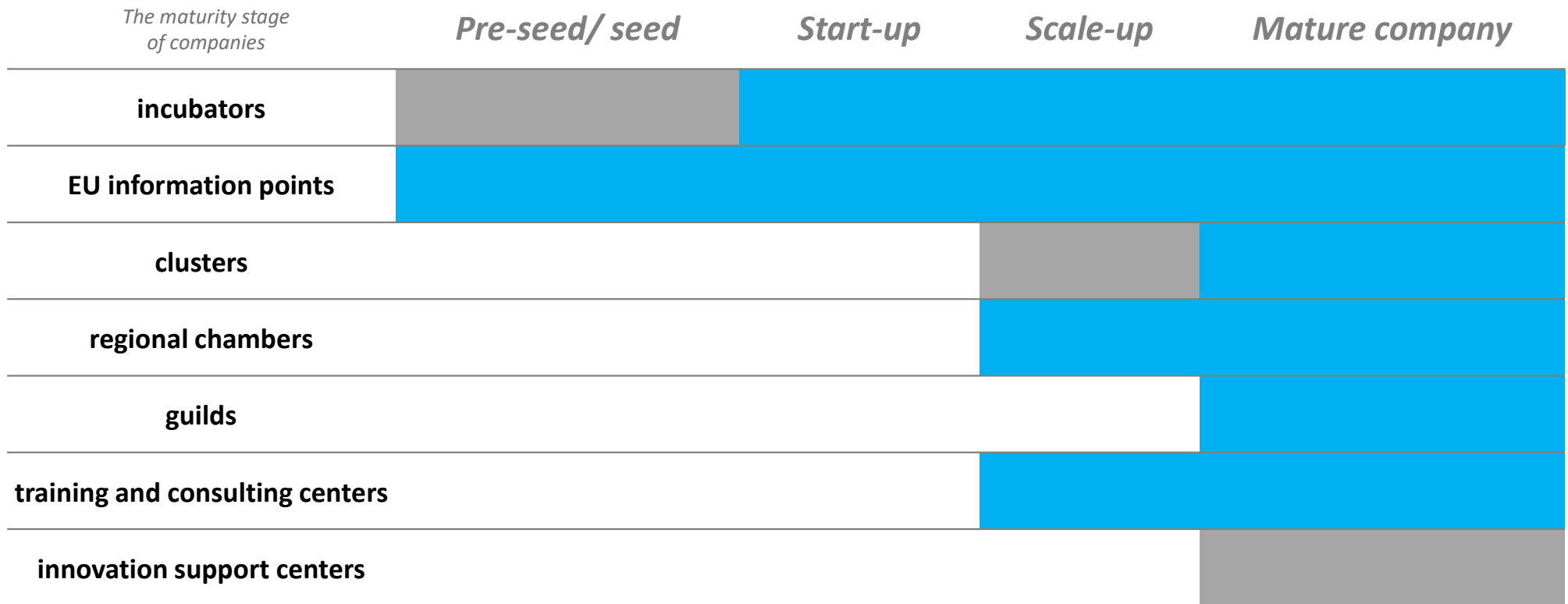
In BSIs' FA mapping, we checked the spatial distribution and type of BSIs in the FA.



Number of BSIs by type, N=16



## Map of business services for BSIs in OF based on their offers



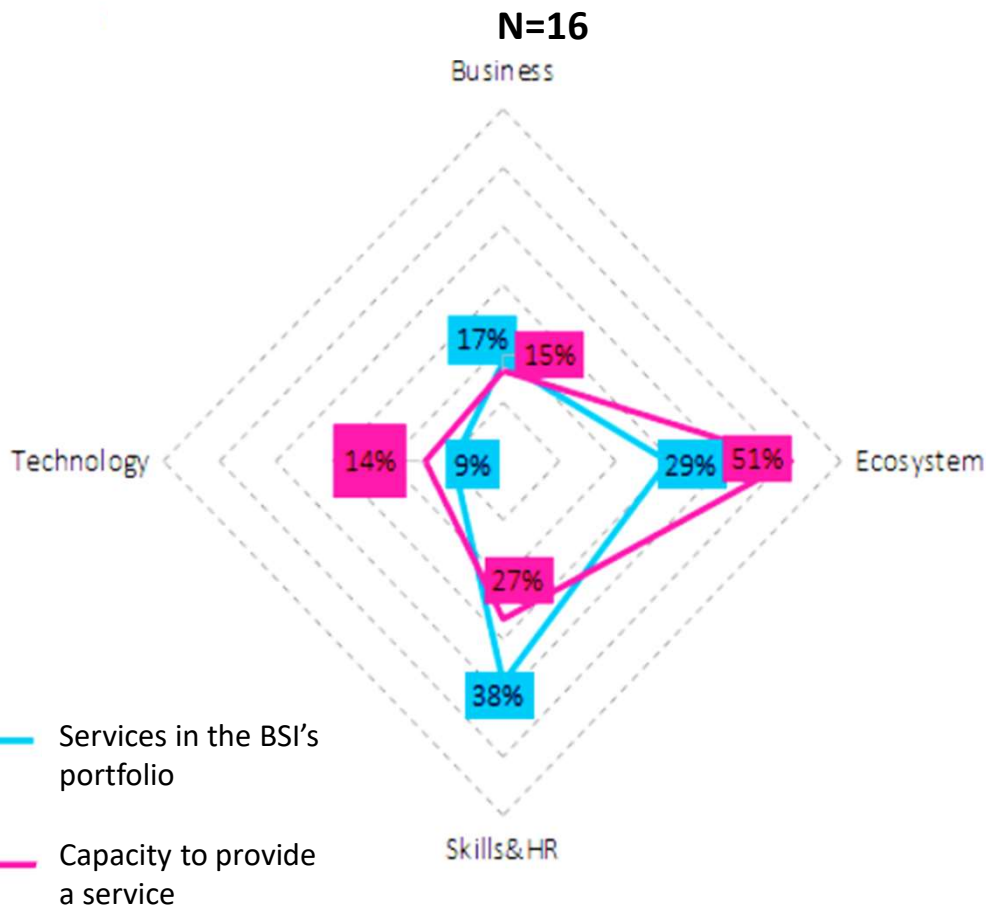
Services are provided theoretically, but concrete actions are lacking

Services are actually provided

# Regional BSIs' network

CASE STUDY:  
Kalisko-Ostrowska Agglomeration, Poland

BSIs' service availability versus service capacity;  
N=16



1. The unsatisfactory level of availability of business and technological support services for companies is related to the lack of this type of entities in OF.

2. BSIs need incentives to modernize their offer.

3. Lack of offer in terms new modernizations' trends.

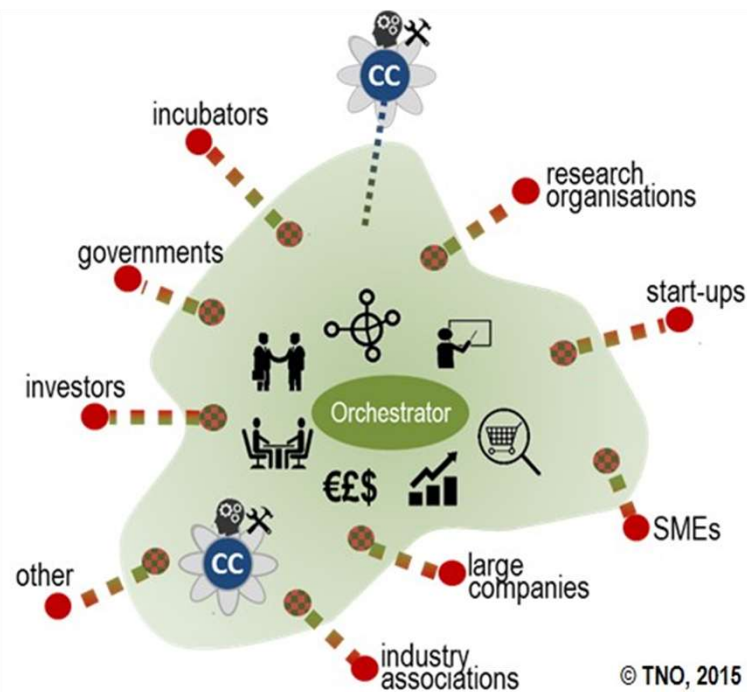
Greening	12%
Digitalization	19%



## Regional BSIs' network

**BSIs should work together as a network to provide a broader portfolio of services to companies in the region.**

*One-stop-shop (i.e. DIH) orchestrator function*

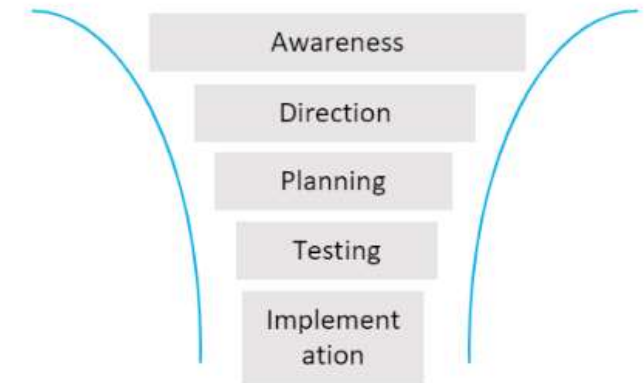


BSIs services should be:

- available regionally, creating a **network** of service providers in the one-stop-shop formula
- connected **by a communication platform** and a universally accepted standard of service provision
- in **funnel** logic
- **interregionally available** using other BSIs from nearby FA.

*Funnel mechanism in the development of support services for companies*

**Funnel of services from the most standardized to tailor-made**

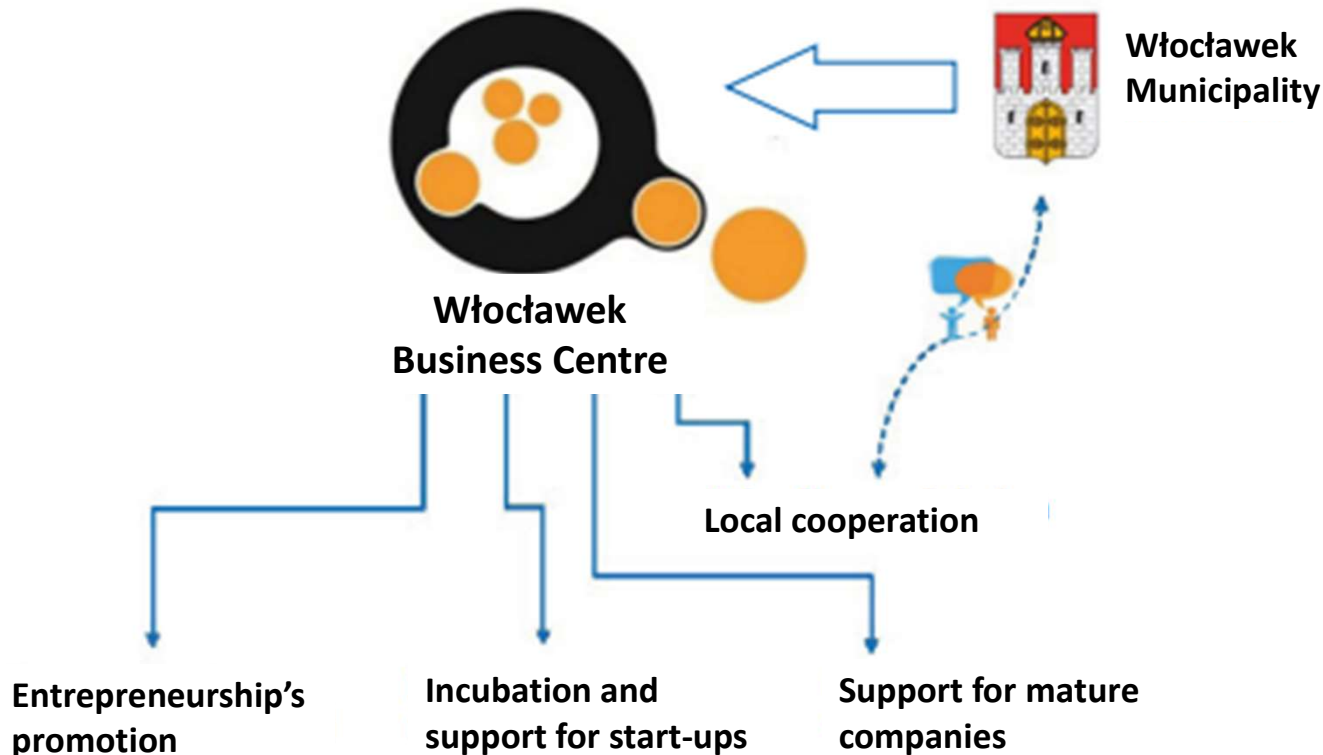


*Source: World Bank Group.*

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**One-stop-shop**

## Scope of tasks of the WCB



**The consolidation of BSI services in the FA was the result of a World Bank's diagnosis.**

## Tools

- I. Consulting and education at an advanced level
- II. Office, production and warehouse space for rent
  - a. For companies incubated on preferential terms
- III. Servicing investment areas and investors
- IV. Assistance in fundraising

## One-stop-shop



**The Hub acts as a one-stop shop for businesses across the combined authority of Great Manchester (10 municipalities).**

- They offer expert business support (individual and group), events, specialist programs, financing, etc.
- Their services are mostly free, but applying state aid rules.
- In addition to general support, the Hub offers tools tailored to the needs of priority industries from their strategies:
  - ❑ Production engineering;
  - ❑ Healthcare and Life Sciences;
  - ❑ Green technologies and services;
  - ❑ Digital, creative and technology industries.

## CASE STUDY:

**Business Development Centre, Great Manchester; Great Britain**

Support areas:

1. Digital transformation
2. Business development
3. Entrepreneurship
4. Zero emissions
5. Internationalization
6. Leadership and management development
7. Innovation and R&D collaboration
8. Specialized industry support

*Their industry strategy is based on 5 foundations of productivity: **ideas, people, places, infrastructure, business environment** .*

*Their horizontal priority is the transition to a carbon neutral economy.*

## Summary

1. **Creating a platform for joint communication between business and the public sector helps create tailor-made activities for the local entrepreneurship ecosystem.**
2. **It is important to include stakeholders from the education sector, local government authorities, local BSIs and business in developing solutions, maintaining a balance between the representation of FA subregions.**
3. **Living Labs provide a systematic methodology of operation along with an iteration process.**
4. **Local economic strategy can be implemented by Living Lab.**
5. **Mapping BSIs in OF may show gaps and inconsistencies in the offer of BSIs.**
6. **Remember the priorities of digitalization and greening.**
7. **A good practice is networking of BEIs and creating one-stop-shops for business**

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# Please contact me

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