



Entrepreneurship in H2020: Opportunities for the Digital Economy

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Research and
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Outline

- **WHY:** ICT is important?
- **HOW:** Strategic **approach** to *Entrepreneurship* and *Innovation*
- **WHAT:** H2020, ICT positioning & Instruments
- **HOW:** Specific initiatives: **ODI, ICT Vouchers for SMEs**



WHY
ICT is important?

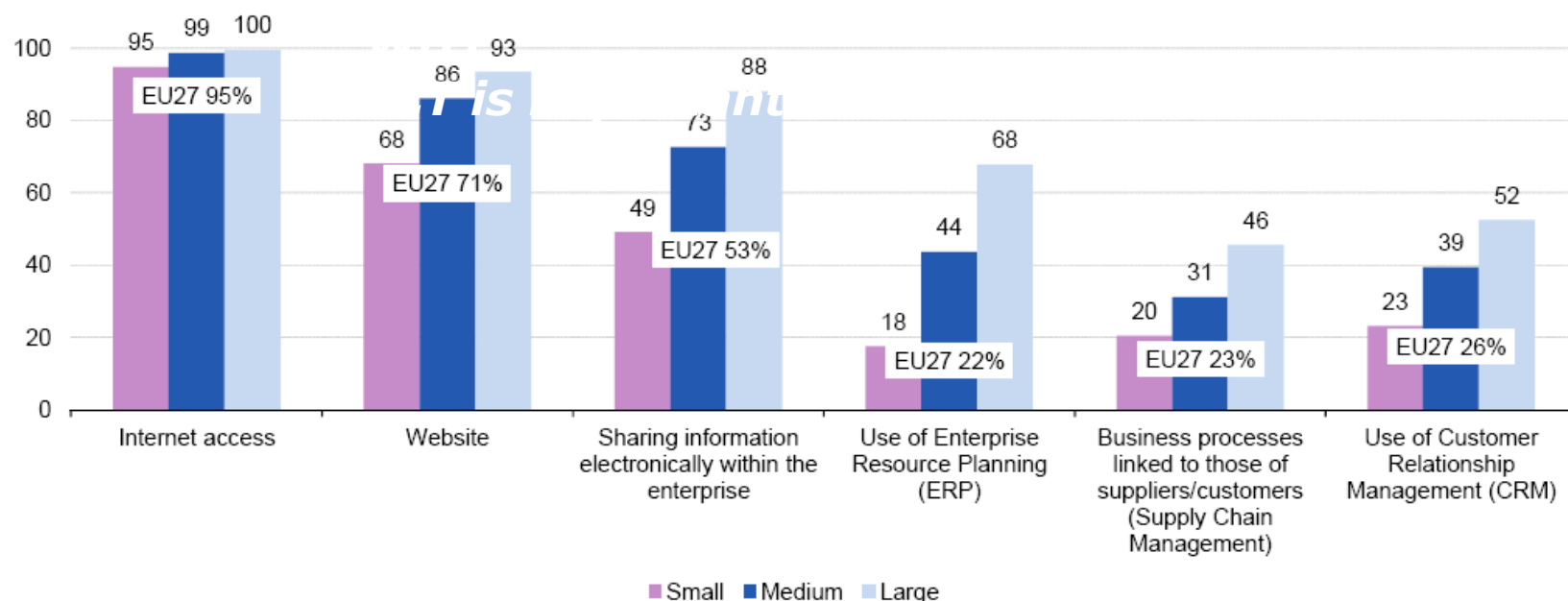
WHY ICT MATTERS?

- ✓ ICT is **key enabler** of competitiveness and innovation;
- ✓ By 2016, the **Digital Economy** will reach 3.2 trillion Euros in the G-20 economies
- ✓ More than **75% of the added value** created by the internet is in traditional industries, in higher productivity
- ✓ **SMEs grow two-three times** faster when they embrace the digital economy
- ✓ **ICT creates jobs**: for every job destroyed by the emergence of the internet, 2.6 new jobs were created in the EU



Small companies in lower value add ICT services

**Figure 2: Enterprises adopting technologies for e-business, by size class, EU27, 2012
(% of enterprises)**



Source: Eurostat (online data codes: [isoc_ci_in_en2](#), [isoc_ci_it_en2](#), [isoc_bde15dip](#))



HOW: *Strategic Approach*

EU ICT Entrepreneurship Strategy

- **ECOSYSTEM**

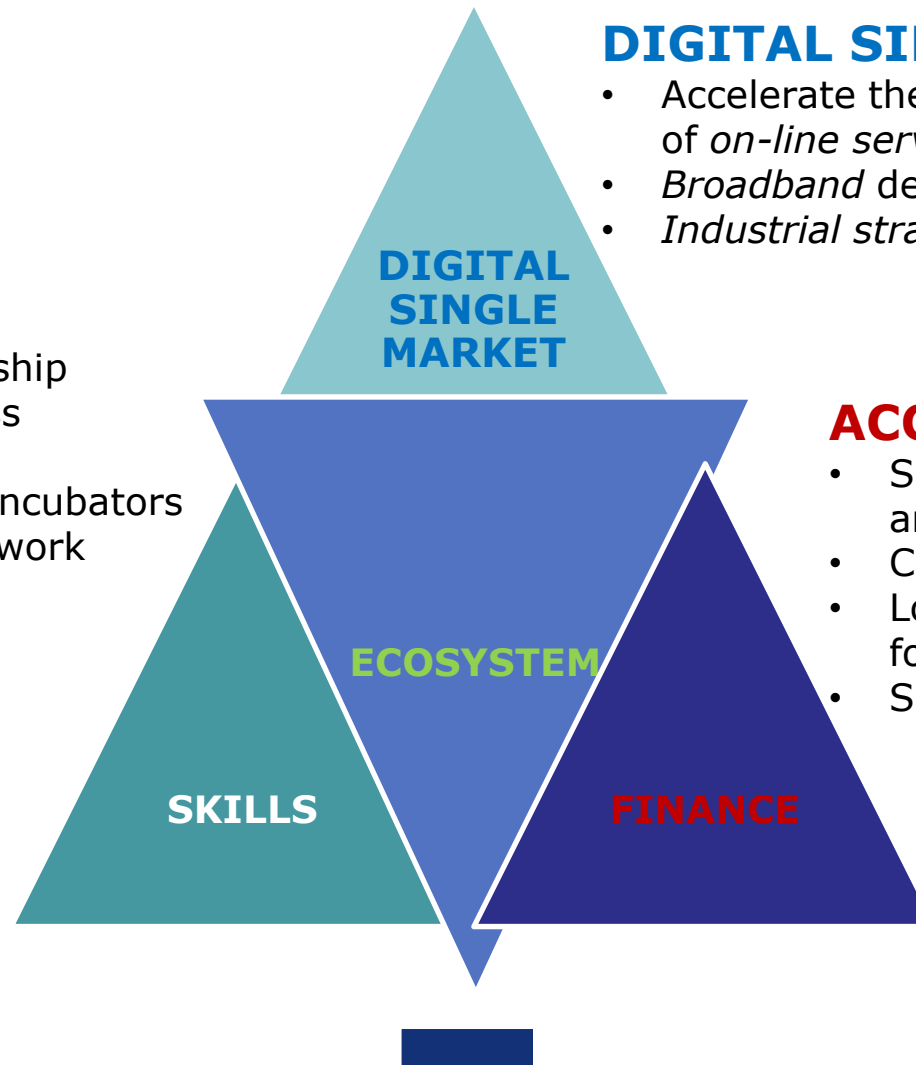
- Develop entrepreneurship & investment readiness
- Cooperation between ICT Accelerators and Incubators
- Enterprise Europe Network
- *Start-up Europe*

DIGITAL SINGLE MARKET

- Accelerate the development of *on-line services*
- *Broadband* deployment
- *Industrial strategy* for electronics

ACCESS TO FINANCE

- Support to Business Angels and Venture Capital
- Crowd-funding
- Loan guarantees for innovative SMEs
- SME grants for R&I



Entrepreneurship & Innovation in Europe

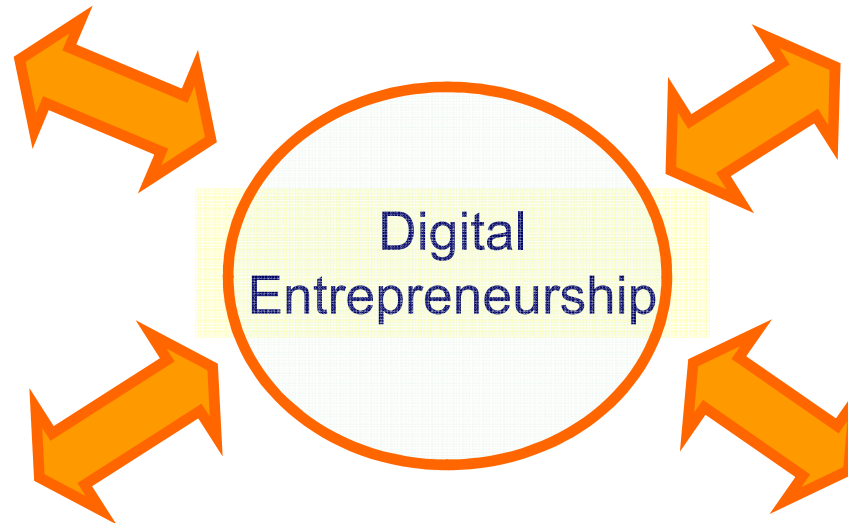
- 45% of Europeans would like to be their own boss if they could
- 60% of startups fail within 3 years: Good products but less market knowledge

Entrepreneurship 2020
Action Plan



Digital Entrepreneurship on the EU policy agenda

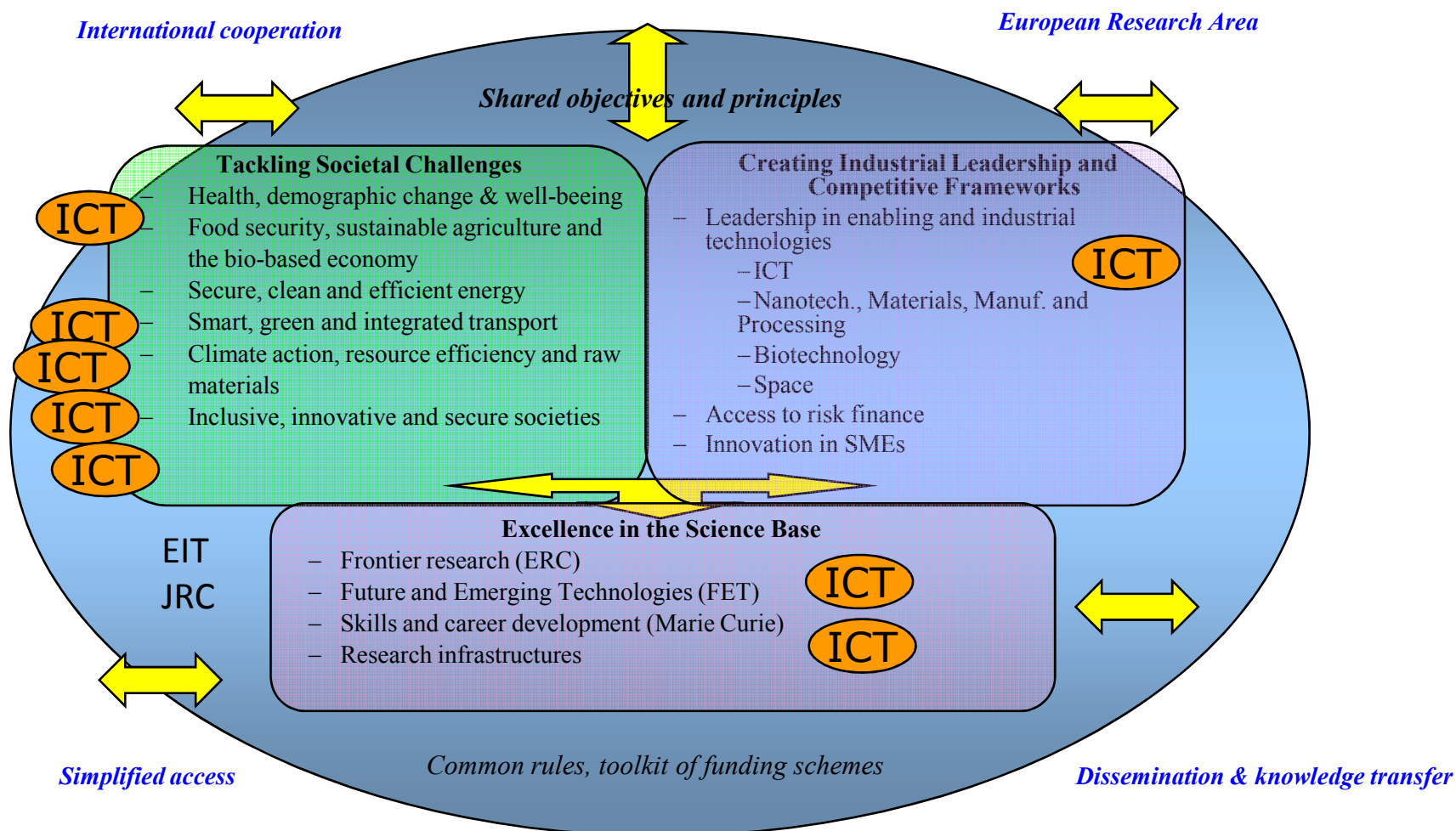
Digital Agenda
1001100101011101110000100 2010-2020
for Europe



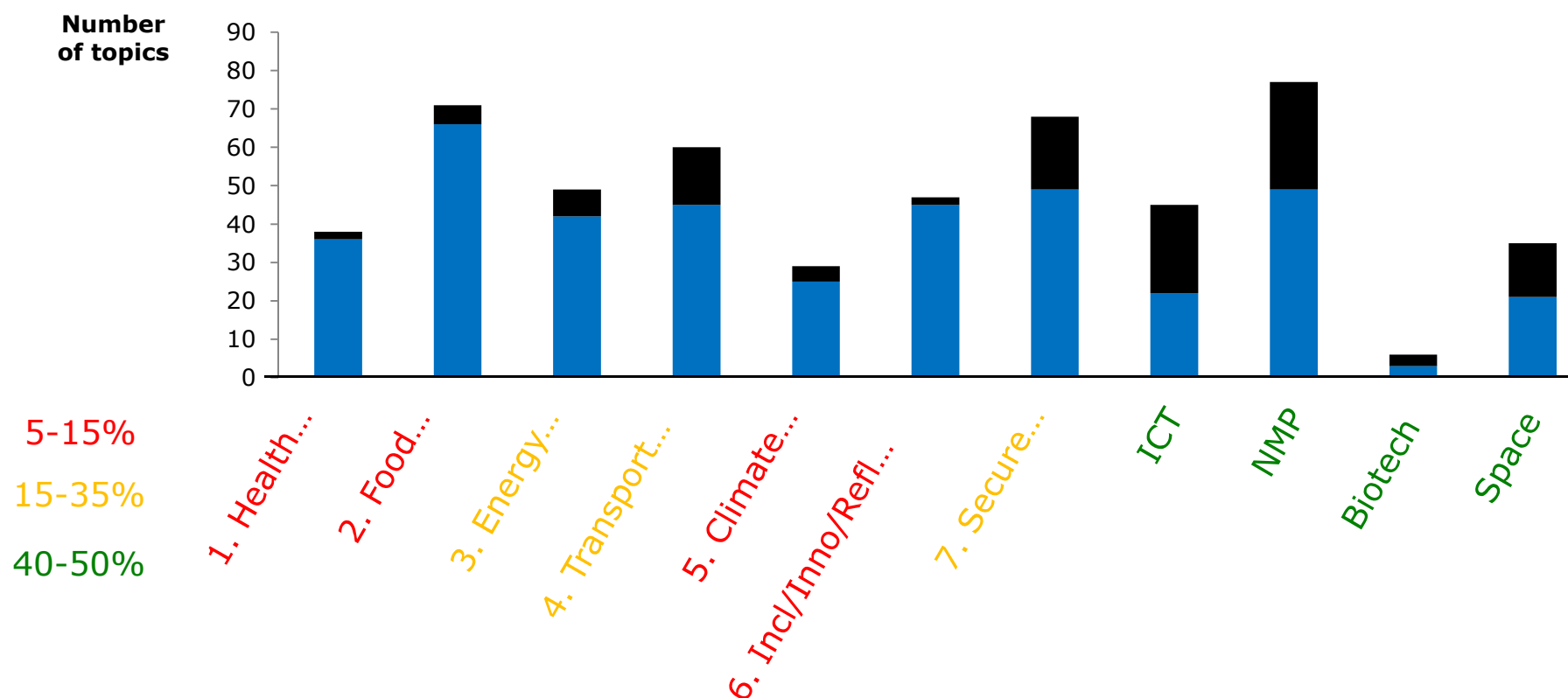
An Industrial Policy for
the Globalisation Era



ICT in Societal Challenges = ~ 640m€ for 2014-2015



**20% of all topics are implemented
through *Innovation* Actions
80% by R&I Actions, CSAs and others**



35% of all topics support significant innovation activities



Allow for experimentation

- *"We need to ask innovators what conditions they need to pursue their dreams"* (Neelie Kroes)
 - **Reaching out to non-traditional actors**
 - **More bottom-up, grass-roots experimentation and risk taking.**

H2020 WP14-15 foresee a number of Challenges and Instruments in support to ICT based Innovation and Entrepreneurship





All forms of R&D and all forms of innovation, towards exploitation and commercialisation

- SME participation in ***collaborative R&D or innovation projects***
- **SME instrument** (total > 2,8 B€ including > 0,5 B€ for ICT in LEIT)
- Innovation in SME (*Eurostars* and other measures)
- **Access to Risk Finance** (debt and equity facilities)
- Links for access to procurements...



HOW : **ICT Dedicated Scheme**

Open Disruptive Innovation

*Disruptive innovation encompasses any innovative concept, product and service that create new markets by applying new sets of rules, values and models which ultimately **disrupt** and/or overtake existing **markets** by displacing earlier **technologies** and **alliances***

- ***Cross-sectoral solutions***
- ***Higher risk***
- ***High societal impact***
- ***Commercial return***

Evaluation Criteria

Excellent innovation

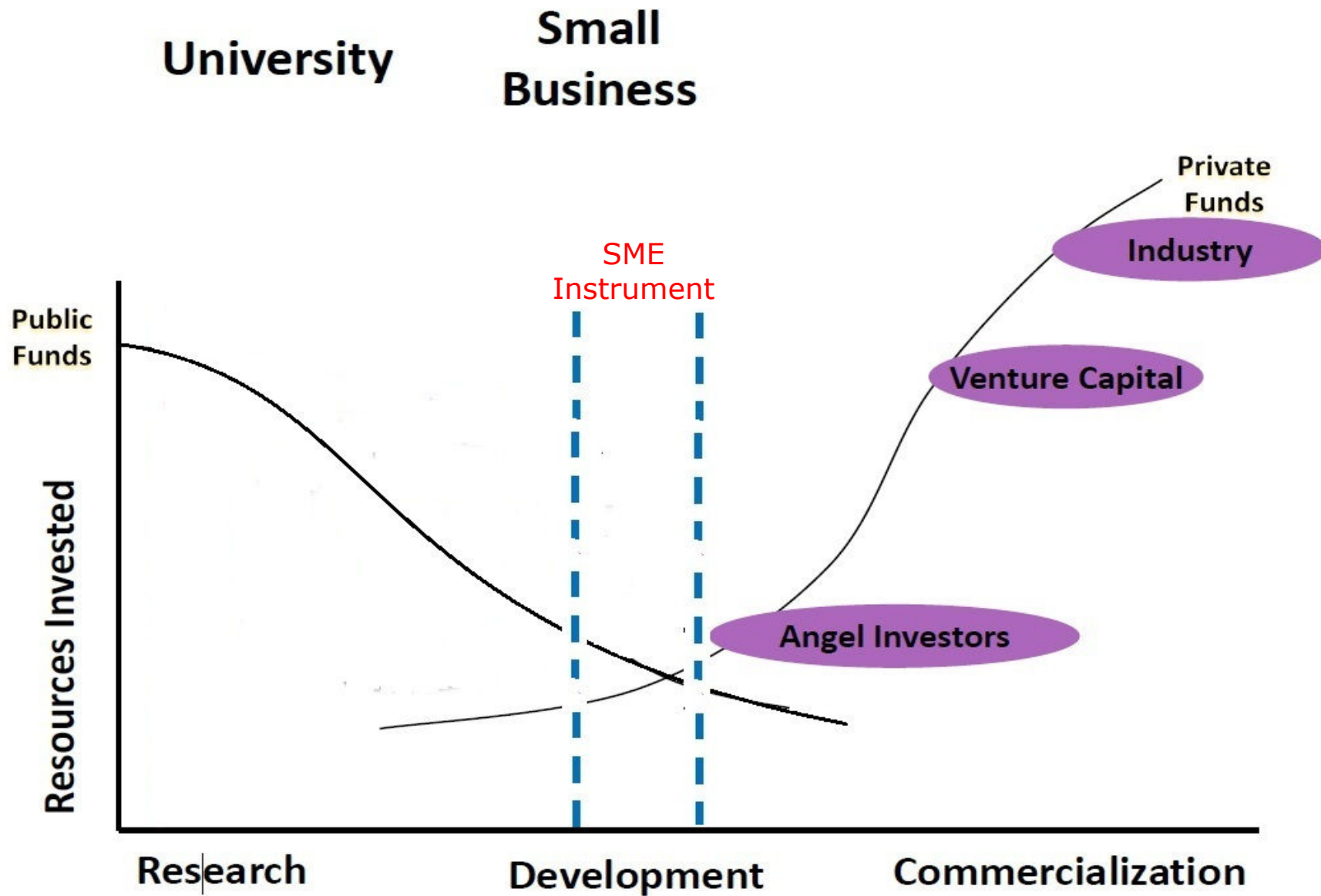
Disruptive impact

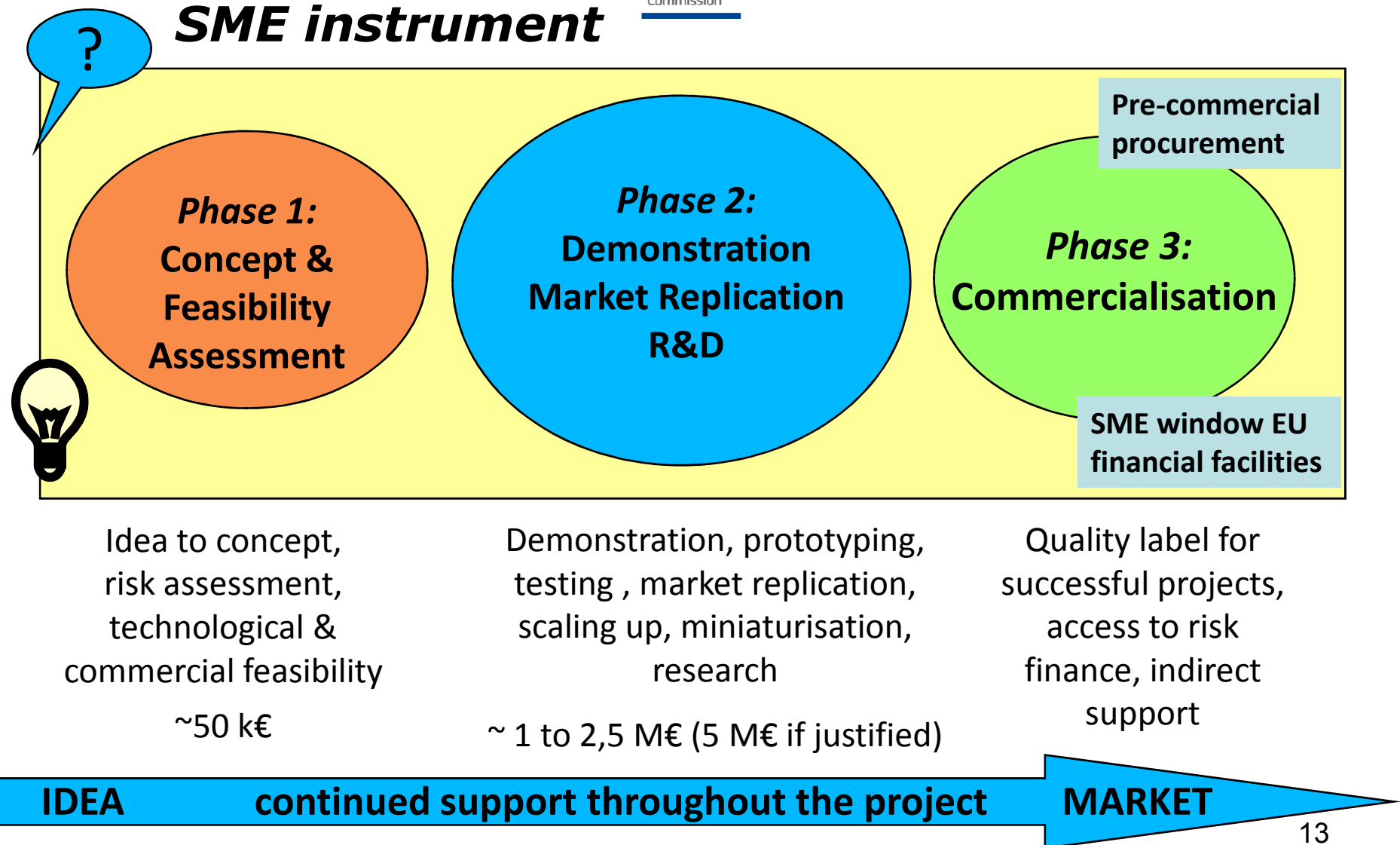
Fast implementation

Implementation today: SME instrument



ODI: SMEs Instrument







SME instrument main features

- Targeted at **all types of innovative SMEs** (new actors / FP7)
- Company-focused (**only SMEs** allowed to apply for funding; single company support possible)
- Competitive, **market-oriented**
- **EU dimension**
- **Open/bottom-up** (while addressing Societal challenges and leading industrial technologies)
- Central implementation (**Executive Agency**)
- **Simple** rules and procedures
- **Continuously** open call (ramp-up in 2014); central entry point
- **Quality** of evaluation will be essential



Fast Track to Innovation

Fast Track to Innovation

- Any legal entity may participate in an FTI action
- Actions funded under FTI shall be innovation actions
- FTI shall be open to any field under LEITs or SCs
- Proposals may be submitted at any time, with 3 cut-off dates per year
- Time to grant signature or notification of decision ≤6 months
- Criterion of impact given a higher weighting
- ≤5 legal entities shall participate in an action
- Amount of grant ≤€3 million



GRAND COALITION FOR DIGITAL JOBS

Grand Coalition for Digital Jobs





Definition and Objectives

- *ICT Innovation Vouchers*
 - **Small credit lines (up to 10k€)** provided by the regional authorities to **micro, small and medium-sized enterprises (SMEs)** to purchase ICT services from service providers with a view to **introducing ICT innovations in their existing business**
- *Objectives*
 - Enhance **access to know-how for SMEs**
 - **Provide incentives** to knowledge providers to build relationships with SMEs





Background

- **Pilot project Andalusia & Murcia** by DG CONNECT in consultation with DG ENTR and DG REGIO
- **ICT Innovation Vouchers launched in 2013-14** for a few pilot regions
- **Possible scaling** up in the next MAP period within ESF





MATCHING OF SMEs TO ICT KNOWLEDGE/SERVICE PROVIDERS

*In order to identify the right type of services for enterprises, the **implementation body in the region will evaluate the needs of SMEs on its territory according to their ICT intensity as follows**:*

- **"No web/low web"** - SMEs/micro enterprises/single traders with no presence on the web and/or with low ICT knowledge
- **"Medium web"** - SMEs that are already on the web and use ICT
- **"High web"** - SMEs in need to introduce ICT innovation to fully exploit the digital potential in their production/sales processes





Eligible services: some examples

- *ICT design and development*
- *E-Commerce platforms*
- *Business Solutions services*
- *Evaluation tools*
- *IPR protection services*
- *Application of ICT to new business models*
- *E-skills empowering services*
- *Networking services*





How does it work?

1

- SMEs application
- Concrete plan to introduce ICT in their business model

2

- Project approval
- An ICT Innovation Voucher is provided by the Implementing Body

3

- Criteria for eligible Service Providers by Implementing Body
- SMEs buys the ICT-related services eligible for funding

4

- Redemption of the Voucher

5

- Control mechanisms for measuring performance and monitoring effectiveness of the scheme implementation



Next steps

- *Best practice workshop with interested pilot regions, EURADA Dialogue Day, Brussels 15 May*
- *Implementation and cooperation with pilot regions*
- *Development of guidebook and training programme*
- *Broadening regional interest*
 - **Digital Agenda, Committee of the Regions, Brussels, 2 July**
 - **Open Days Workshop/Training, Committee of the Regions, 7-10 October**
- *Evaluation and decision about scaling up*

INFO <http://ec.europa.eu/digital-agenda/en/ict-innovation-vouchers-scheme>





Startup Europe

Startup Europe

"In recognition of the job creation potential of web start-ups, the Commission is launching ***Startup Europe***, a single platform for tools and programmes supporting people wanting to set up and grow web start-ups in Europe."

Neelie Kroes, Vice-President of the European Commission, responsible for the Digital Agenda for Europe, World Economic Forum – Davos January 25th, 2013

www.startupeurope.eu

Start in Europe! Stay in Europe!



Support to clusters, accelerators and incubators

- Atalanta: transnational network of accelerators
- OpenAxel: open acceleration services
- ACE: accelerate growth of innovative companies
- Get: incubation in the eHealth domain
- Voice: virtual incubator and idea generation stage
- EIG: Develop investment readiness for participants in EU ICT programmes





On-going activities

Legal advice to startups and bridges between researchers & entrepreneurs

- iLink: Establishing a European Network of Law Incubators that Bridge ICT Entrepreneurs and Start-ups with Law Students
- ICT2B: bring together ICT researchers and entrepreneurial minded individuals to promote the creation of ICT start ups



Support Investment Fora

- *NEM Investment Forum:
Nantes, October 2013*
- *ICT 2013
Entrepreneurship and
Investment Forum:
Vilnius, November 2013*



Accompanying measures

- Technical assistance for financial intermediaries
- Detecting and monitoring high growth SME profiles
- Investment-readiness schemes (including coaching, mentoring, etc)
- Raising awareness of VC firms and business angels
- Fostering business angels (deal volumes now comparable to VC!), crowd-funding, family offices etc...
- Encouraging philanthropic foundations and individuals to support R&I and growth

... MORE TO COME...

Keep an eye on: <http://ec.europa.eu/digital-agenda>



THANK YOU

HORIZON 2020

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