

Report for Chambers of Commerce and Start-up Centres

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Abstract

Purpose – This report provides a comprehensive overview of the needs and wishes of entrepreneurs and contrasts them with the spectrum of services and support offered by start-up centres and chambers of commerce who participated in this study.

Design/methodology/approach – The paper uses a qualitative research approach. In total, we conducted 57 in-depths interviews with entrepreneurs, start-up centres and the chambers of commerce of eight European countries. Data analysis covers pattern matching and case comparison.

Findings – The findings reveal a mismatch of the expected support activities offers and recognition of available offers. This indicates either a lack of awareness by the entrepreneurs or untargeted communication of the advice, consultation and support offered by start-up centres and chambers of commerce. In addition, we outline that the formulated needs and wishes for additional support frequently correspond to already available offers.

Originality/value – This research assesses how start-up centres and chambers of commerce can tailor their services to the needs and expectations of entrepreneurs. In addition, the international comparison broadens the perspective on how the communication and networking between European start-ups, start-up centres and chambers of commerce enhances local entrepreneurial ecosystems.



1. Introduction

Blends of formal and informal networks characterize local entrepreneurial eco-systems (Maroufkhani & Wagner, 2017). Formal networks are made up of interactions of all local, state, and federal agencies and industry partners, as well as administrative units commercial registers, banks, accountants, lawyers and chambers of commerce, or the ‘small business administration’. Informal networks consist of family, friends and business contacts. In this report, the focus is on part of the formal network support for new entrepreneurs, namely start-up centres and chambers of commerce. This study is a result of the strategic partnership Marketing Communication Innovativeness of European Entrepreneurs (MARCIEE), which is a three-year project funded by the European Union (grant no. 2014-1-DE01-KA203-00624). MARCIEE is part of the Erasmus+ activities of the EU and involves partners from eight countries: Finland, France, Germany, Hungary, Iceland, Italy, Lithuania and the Netherlands. The results of this study are rooted in triangular-perspective interviews. We provide a comprehensive overview of the needs and wishes of entrepreneurs and contrast them with the self-assessment of both start-up centres and chambers of commerce. Complementing the interview data, we assess a contemporary range of services and support in desk research for each country.

Our findings indicate a lack of awareness by the entrepreneurs regarding the general services and support provided by start-up centres and chambers of commerce. This remarkable result suggests a change is required in communicating the offers in a way that is more suited to mental maps of (potential) entrepreneurs.

Based on the information gathered from both the interviews and websites, we describe the offers and activities in each participating country and extract best practices for start-up centres as well as chambers of commerce.

The structure of the report is as follows: First, we start from the perspective of entrepreneurs and present findings regarding their formulated needs, wishes and expectations from chambers of commerce and start-up centres. Second, we focus on the different offers and concepts of chambers of commerce and start-up centres. Third, we compare the needs, wishes and expectations with the offerings in order to provide an overall summary of the situation and to identify best practices. We close our report with a discussion and conclusion.

2. Methodology

The results outlined in this report are obtained by applying qualitative techniques of extracting information from interviews and web sites in a systematic manner. The data analysis pursues cross-case synthesis in two phases: within each country and across countries.

The cases are sampled in the first phase by the participants of the MARCIEE project. Since the participants are most familiar with the local entrepreneurial ecosystems surrounding their universities, the respondents were selected by a purposive sampling procedure (Heckathorn, 1997; Reynolds, Simintiras, Diamantopoulos, 2003). This non-random sampling enables a qualified appraisal of information, judgments, and statements given in the in-depth interviews with entrepreneurs of start-up companies, start-up centres and chambers of commerce. Due to this familiarity of the researcher teams with the conditions, non-mentioning of facets and aspects are also assessed as relevant information and added to the interpretations.

The interview guidelines for the entrepreneurs address the following questions regarding assistance from start-up centres and chambers of commerce:

- (1) Have the start-ups received assistance/advice from start-up centres and/or chambers of commerce?
- (2) If yes, what kind of assistance and was it useful? Is there anything more they would have wanted from the start-up centres or chambers of commerce that was not possible to get?
- (3) If they have not received any assistance, why was that? Did they not need any assistance or was there no assistance available? What kind of assistance would they like to get from the start-up centres and/or chambers of commerce?

The interviews with individuals from the start-up centres and chambers of commerce were focused on the following issues:

- (1) What kind of assistance or solutions do start-up centres and chambers of commerce offer entrepreneurs?
- (2) What kind of assistance is mostly asked for?
- (3) Are there any offerings they are not provided today but they intend to provide in the near future?

We aimed to identify possible similarities among the countries with regards to wishes, needs and expectations of start-ups on the one hand and offerings of start-up centres and chambers of commerce on the other.

3. Needs, Wishes and Expectations of Entrepreneurs

3.1 Finland:

Four Finnish companies were interviewed from different business-to-consumer industries. Company A represents a company from the alcoholic beverage industry; it produces spirits made out of rye. Company B's product is a web-application for wellness, aimed towards helping the consumer achieve more energetic days, for example by keeping track of weekly workouts. Company C produces eyewear, especially sunglasses, made of wood. Finally, Company D sells an application with which a consumer can make mobile orders and payments for restaurants and cafeterias.

Three out of four interviewed companies did not use any services from start-up centres or chambers of commerce. Partly, this was due to lack of knowledge about the available services and partly because they did not need these kinds of services. Moreover, the chambers were not directly targeting start-ups with their services, but mainly larger and already well-established companies. One of the companies had received help from Aalto Start Up-Center in Helsinki, which advised the company with daily practices and how to get a loan from the government. However, for some of the other companies the concept of a start-up centre was not familiar at all. Therefore, they were not aware of the services and assistance they could get. As one of the entrepreneurs stated: *'Actually I don't even know what start-up centres or chamber of commerce do, they should make it more clear and offer help, because they are in a service business'* (Interviewee from Company C).

On the other hand, some of the founders are quite self-confident. They felt that they had enough knowledge, based on their previous working experience, on how to start a new business. One interviewee expressed that he did not even see this kind of support as relevant because of their specific branch of industry. Instead, they have sought business mentors in the industry, who could help in building networks and finding the right people to advise with the related legitimate issues.



Several of the companies that were interviewed wished that start-up centres and chambers of commerce would be more proactive when it comes to marketing their services to start-ups, instead of waiting for companies to contact them first. The entrepreneurs raised the point that start-ups need good networks and contacts in their specific area of industry to get good advice and a foothold. Legal matters were also mentioned as something start-ups tend to need external help with.

3.2 France

The four French companies interviewed were from different sectors. Company A is a start-up company which pays their customers' delivery prices when they shop online in exchange for the customer watching a video. Company B provides an online service that offers a simple, collaborative and free facilitator to prepare aperitifs with friends. Company C provides a global smartphone application that brings a new approach to major retailers' products to the consumer. Company D is an online service for girls who want to go on holidays but do not have anyone to go with.

Based on the interviews, the start-up companies need tailored services because they usually operate in some innovative areas. In the first years of their business, they need material support, e.g. an office and welcome desk, to save costs. Similar to other companies, they need information about their customers, but normally do not have the budget to buy such information. Moreover, they need easy access to some network partners (e.g., universities and their students) and the ability to develop their own network in a systematic manner in order to create their 'ecosystem' efficiently. Considering that social networks are central in their communication strategies, start-ups need to be supported in the use of those communication tools. As explained by one of the French entrepreneurs:

A start-up is a company that is exposed to enormous uncertainty as it enters an existing market with an innovative approach. You do not know the time it will take to get started so there is interest to have good reserves at the beginning which is not easily feasible. A start-up centre is very interesting since it puts us easier in contact with people who can offer us support for reserves. This is very important for the financing. [...] The second important aspect is the quality of exchange and of the ecosystem you are surrounded by. [...] You learn the best via face-to-face exchange with people who have already been through this, who experience the same or who lived the same. (Interviewee from Company C)

Even though chambers of commerce try to support entrepreneurs, they do not always have the resources that are needed. They are not experts in every field and sometimes they do not find the solutions needed due to lack of expertise. For example, in Company C's case the chamber of commerce could not help them; as the founder said, *'this is an innovative field and nobody could really help us.'*

3.3 Germany:

Three German companies were interviewed from different business-to-consumer industries. Company A is an online start-up for Nailwraps with about 200 customers from all over Europe. Company B has two online shops and a store where coffee specialties and equipment is sold. Company C offers biological certified clothing from fair production as well as accessories, bags and jewellery where 10% of every product sold is donated to a good cause. Company D is an independent insurance broker for private and commercial customers. The business core involves analysing consumers' needs and find out what insurable risks characterize their situation. Company E produces cakes which, to make them flexible for the customers, the founders put into glassware. This special product is sold via the online shop to the whole world. Company F is in the bakery segment. The company offers bakery workshops for children and adults, and also offers special cakes and cupcakes.

None of the interviewed companies had asked for assistance from a chamber of commerce. Only two start-ups received assistance from a start-up centre; one of these due to winning a business plan competition. The assistance included a business plan and founder coaching along with free office for several months, which led to savings. However, the offer of the business plan and founder coaching were unfortunately focused on small companies and the personnel were not familiar with the start-up environment (e.g. financial possibilities or online marketing techniques), as the entrepreneur recounted:

As winners of the business plan competition 'ECRIS Launchpad' we got an office for free for some months. After this, we have rent our office and production room on good terms. The financial savings were helpful, but the following offers were not: a business plan and founder coaching which was geared to small companies and it was staffed by personnel which did not know the start-up world itself and which was not familiar with concepts like lean start up, financing possibilities, online marketing techniques etc. (Interviewee from Company C)

Company E, that also received assistance from a start-up centre, mentioned that the help was not always very constructive. The CEO mentioned that many consultants are very conservative; moreover, they have never founded their own company, which means that they are not that well informed about foundations and the actual situation for start-ups. Company E also accepted the subvention by agency for work.

The other four did not ask for support because it was not necessary or useful for their companies. One start-up stated that the application process for official assistance would have taken too long and that the core competencies within their team are well-matched without the need for any additional help. Due to this, this start-up only received advice from friends who were already running several start-up magazines. One of the interviewees gave the following reasons for not asking for help:

Both owners graduated in business administration. Thus, they knew everything they need for their foundation. The founders could not see an additional benefit by the start-up centre. The young company liked it to be flexible and independent. They saw more complexity and less flexibility by accepting help from the centre. (Interviewee from Company F)

The interviewed companies wished that start-up centres and the chambers of commerce would be more proactive and provide more target-group specific assistance. Their future offers should include workshops with people who have already founded a successful start-up and networking with other partners for support in building a customer base. Apart from that, mentors and coaches who provide assistance concerning financial aspects would be helpful. In addition, one start-up requested exceptions from regulations, for example the minimum wage for interns.

3.4 Hungary:

Representatives from three Hungarian start-up companies were interviewed. Company A offers a fully automated brewing machine, which can be used for home brewing by experts as well as beginners. Company B offers football-training equipment for professionals and amateurs to develop their technical and concentration skills. Company C specializes in secure cloud storage solutions.

None of the interviewed companies had used any service from the Chamber of Commerce. The founders of the start-ups had already received a lot of know-how that was used to establish the

companies. Furthermore, the companies wanted to avoid any kind of bureaucracy that might result if the Chamber's services were used.

First, the sense of community and sense of pride necessary in order to become a great start-up destination is missing in Hungary. As the first steps to solving this problem, the founders of already successfully operating companies aim to build and share success stories that could serve as a model for young Hungarian entrepreneurs. Furthermore, the bureaucracy a start-up has to face in the Hungarian business world should be reduced. The taxes and social security, for example, which start-ups have to spend money on, add almost 40 percent to the total cost of labour.

3.5 Iceland:

Four managers in four innovative Icelandic companies were interviewed. Company A develops and markets skin care products containing cellular activators. Company B is a search engine for flights, hotels and rental cars. Company C is a gaming company producing fun gaming experiences for children which makes it easier for them to take their very first steps in programming. Company D produces and sells a doll that imitates real heartbeat and breathing sounds, which has been scientifically proven to soothe or calm pre-born and new-born infants and is therefore meant to help make them feel secure.

None of the companies have sought assistance from the chamber of commerce. The chamber is not focusing on special assistance for entrepreneurs or start-ups. It was mentioned that if companies are working in certain sectors there can be useful knowledge within the chamber of commerce, but *'as soon as you start to specialize outside their comfort zone there isn't much to go on'* (Interviewee from company A). Some of the companies have received public grants for further development. Regarding assistance from a start-up centre, one of the companies had participated in the biggest business plan competition in Iceland, 'The Golden Egg', hosted by the start-up centre Icelandic Startups. Participants in 'The Golden Egg' are offered courses, advice and assistance from experts throughout the process.

From the interviews with the Icelandic start-ups it was obvious that they valued most advice and practical guidance from experienced managers; people that had gone through the same things they are going through. When asked if there is something they think start-up centres or chambers of commerce could offer that is not being offered today, generally they did not express specific wishes. Nevertheless, it was mentioned that it would be very beneficial to get



counselling and advice from experienced people early on in their development process - feedback and objective criticism from people who know the industry. Another thing mentioned was the lack of general promotion by start-up centres, to tell entrepreneurs and start-ups what they are offering and what they stand for. In summary, the entrepreneurs in starting phase of their business are not familiar with their offerings and the related possibilities. It was also mentioned that it would be beneficial if start up centres and chambers of commerce would focus more on asking entrepreneurs and start-ups what it is they actually value and what they really want.

3.6 Italy

Representatives from eight companies in Italy were interviewed. Company A is an innovative start-up that offers a transfer to any destination in Italy, Spain, the Canaries and soon Switzerland and Bulgaria. They act as an intermediary between certified drivers and customers in need of a transfer. Company B runs an e-commerce website, representing the widest online network of Italian furniture and textile companies. Company C sells shoes made in Italy by Italian artisans at a competitive price, both online and offline. Company D is an innovative start-up that offers smart wearable devices for activity tracking, specifically designed for swimmers, both amateurs and professionals. Company E offers a mobile payment service available through an app. It covers both peer-to-peer money transfers in an easy manner and purchase transfers to stores, bars and merchants that have subscribed to the service. Company F is a fashion start-up that combines innovative design and sustainability using raw materials that are sustainable. Company G focuses on turning everyday essentials into fancy and unique design pieces. They create original and one-of-a-kind socks designed and made exclusively in Italy, for those who dare to be different. Company H offers its service to digital health application developers, helping them to build secure and compliant applications, compliant with data protection laws in the EU.

All of the companies interviewed in Italy have at some point received assistance from a chamber of commerce or start-up centre. According to the analysis, the level of satisfaction of the assistance programmes available from start-up centres depends on the start-ups: the complexity and type of their product, as well as the background of the founders. In Trento, the interviewed start-ups regarded positively the activity of Trentino Sviluppo and similar centres. In fact, the majority of them recognized incubators' meaningful contributions as intermediaries between



them and foreign operators and recognized their consultancy ability. Thus, the local environment is of great importance and the variance within the countries might be even higher than that between the countries.

All eight interviewed companies have received legal support and promotional support from the Chamber of Commerce, but on average the start-ups were unsatisfied with the help they got. They thought the legal support services were too complex and difficult to understand, and that it turned out to be quite difficult to deal with all the bureaucratic procedures that needed to be followed without any clear guidance. In relation to promotional support from the Chamber, the companies were more positive; some activities such as newsletters and events in general were considered very useful for the start-ups' internationalization.

Financial support is one of the main requirements of a start-up with limited resources - a free service of financial consultancy is available at the Chamber but was not sufficient to cover the real needs, according to the interviewees. Therefore, start-ups have had to rely on professional consultancies that most of the time they cannot afford. Apart from consultancy services, the major problem that the start-ups faced was the need for cash. The Chamber mainly provides grants but these are normally based on refunding expenditures, which means that the expenses must be paid in advance by the start-ups; therefore they do not solve the cash shortage and are practically ineffective. The entrepreneurs complained that other countries have immediate cash for their expenditures. Furthermore, in Trento, financial support was not an important component of the Chamber's activity: the interviewed start-ups generally resorted to venture capitalists (Re-Bello), governmental (Satispay) and municipal funds (Wams) or they won a prize (Chino.io).

Generally, the start-ups have not received much or any help from the Chamber in relation to their internationalization efforts. A last aspect criticised by the entrepreneurs was the extreme standardization of services. The entrepreneurs interviewed said that they have specific needs that the Chamber is able to meet on very few occasions; most of the time technical support was missing. For instance, the interviewee from Company D reported the following:

They [Chamber of Commerce or other assistants for start-ups] did not help us. The biggest challenge lied within the technology, the production, its implementation, testing, monitoring and issues of technological development – thus, there were issues that were out of the competences of any assistant for start-ups.

The entrepreneurs suggested that the website of the Chamber could be updated so it would allow users to accomplish most of the requirements online. They also suggested that the Chamber should increase the number of events, to draw more attention to their content and, more importantly, to enhance their promotion.

3.7 Lithuania

Four companies from Lithuania were interviewed. Company A runs an e-commerce website selling shoes. Company B represents a web-based plagiarism detection and preventing system. Company C is developing logistics services and company D is an online platform that provides movie rankings and movie recommendations.

The Lithuania Chamber of Commerce does not currently assist start-ups, so the interviewed companies have not received any such support or helpful information. On the other hand, it is planning to establish a national consulting centre to support young business and start-ups which, according to the interviewed companies, would be very useful. Regarding start-up centres, assistance from them does not seem to be a common occurrence, mainly because young companies think that it would be unhelpful. Nevertheless, those who do seek support and information from start-up centres say it is valuable. One of the Lithuanian entrepreneurs explained:

I do not think we are actually related to chamber of commerce target, because our concept does not fit in traditional business frames. I think their concept is more based on regular sales, helping to meet suppliers. However, we have Start-up Lithuania that are very helpful because they are organizing a lot of events for networking purposes as well as when some journalists come to Lithuania they always write on Facebook or call directly and ask if you would like to pitch up your start-up. If I need to reach someone – I can ask for help and they will redirect me or even introduce me to them. Also, if a start-up is raising some kind of investment, they are helping to meet investors or if investors are coming to Lithuania – they are linking to local start-ups. (Interviewee from Company B)

The Lithuanian interviewees are operating their marketing activities online only but they need help with identifying other successful marketing methods for their target segments. They also need to gain more general marketing knowledge and require more information on their customer's needs. The interviewees indicated that the biggest obstacle they faced was to know how to connect with the target customer market. Based on the interviews, start-up centres

should push the start-ups harder regarding using social media, the majority of them are still not using that enough which is causing them to lose opportunities. Start-up centres seem to be too concentrated on investments, while not focusing enough on important things for the survival of the start-ups. It is necessary to work on public relations as well. Some owners mentioned that it would be very helpful to get support and information with marketing advertising projects.

The companies interviewed are using word of mouth when going to events or conferences which means talking to people and presenting their products. Therefore, they would like to have more business platforms or programs where they can improve their networks and offer their products and services. Based on the interviews, we recommend increasing the quality of the events hosted by start-up centres, since it appears that mature entrepreneurs are not usually coming to them. Therefore, young entrepreneurs do not get the opportunity to meet up with more experienced entrepreneurs at these events, which would be useful.

Furthermore, it is not easy for them to get capital support at the beginning of the start-up and therefore, entrepreneurs' financial commitment at the beginning is very challenging; assistance with that would be very beneficial.

3.8 The Netherlands:

Four start-up companies from the Netherlands were interviewed. Company A is a social platform, which merges the sharing economy with the logistics courier sector. The company matches the empty car trunks on the roads with deliveries, specializing in deliveries which are not sent by mail but do fit in a car. Company B is an online market place, connecting buyers and suppliers globally for floricultural products. Company C is developing glasses-free 3D technology and commercializing it. Company D sells magazine articles online where the customers pay per view only for what they have actually read, and if they are not happy they can ask for their money back

All of the companies interviewed had registered at the Chamber of Commerce, which is obligatory in the Netherlands. The companies have good access to market research information about the Dutch market through the Chamber and the companies interviewed were happy with that, but the knowledge of the international market is poor. The interviewed companies were less positive about the general advice given by the Chamber about doing business. Two of the companies had received support from start-up centres, but the two that had not sought any

assistance had enough personal experience and/or a good network with experienced companies, which they used for help and support when needed.

According to their assessment, the program of start-up centres has substantially improved during the last few years, but wishes were expressed in the interviews that the support should last longer than two-years. Two of the interviewees explained:

We spoke to the Chamber of Commerce a few times but....let me put it this way. They know a lot about the basics but when it comes to international trade they don't have a clue what has to be done or what is going to happen. (Director of Company B)

Well, only for the obligatory paperwork and stuff, registering and VAT and stuff we made use of the Chamber of Commerce. Not for advice. If they would be able to give you great advice they would start up their own companies. (Founder of Company C)

3.9 Summary of Needs, Wishes and Expectations of Entrepreneurs

Examining the needs, wishes and expectations of entrepreneurs as identified in the eight MARCIEE countries, the following can be summarised¹:

- European start-ups need easier access to some networks or platforms, or more globally to their 'ecosystem' like universities and their students, and more frequent access to previous successful entrepreneurs or industry experts (FR, FL, D, HU, IS, LT).
- They need accurate information about their potential customers, some at the international level, but their budget is too small to get this (FR, D, LT, NL).
- They expect less bureaucracy in the application process to get support (FR, D, HU).
- They expect more tailored services because they are usually operating in innovative areas and fields, but services are not industry-specific enough (FR, D).
- Services from chambers of commerce are not very well adapted to start-ups (FR, FL).
- Start-ups wish to be supported in the use of social networks as communication tools (FR, LT).

¹ Countries are indicated in brackets. Please note that only topics mentioned at least twice are considered.

- There is a substantial awareness gap concerning the offers of chambers of commerce or start-up centres. More interaction is expected between start-ups and chambers of commerce / start-up centres about entrepreneurs' needs (FL, IS).
- Improvement of legal aspects is needed in some countries, for example tax reduction for start-ups (HU, LT).

4. Description of the situation: Chamber of commerce

4.1 Finland

There are 19 regional chambers of commerce in Finland that cover all areas of Finland and bring together 20,000 companies and corporate influencers. Finland's Chamber of Commerce promotes business-friendly policies to create a favourable operational environment for companies in the country and hosts the arbitration institute. The organization strives to ensure that small, medium and large companies are heard, but companies do not automatically join the Chamber.

The organization provides services such as business advice, networking events, lectures, publications and trainings. In addition, the Chamber offers help related to property valuation and goods inspection. It does not limit its activities to national borders, but promotes internationalization by clearing trade obstacles, advancing an internationally competitive tax system, influencing international agreement systems, aiding with the needed documentation for foreign trade and supporting investment initiatives made by companies. Overall, lobbying and providing services and products for companies are the two key tasks of the Finland Chamber of Commerce.

The Ostrobothnia region's Chamber of Commerce is located in Vaasa and indirectly helps start-ups by financially supporting the Startia enterprise agency. Support also involves the communication of ideas and practices between the Chamber and Startia, with the aim of improving the services and helping the generation of more start-ups in the region. In fact, the slogan of the Finland Chamber is 'Together behind business' that crystallizes the role of organization in providing networks and support for companies in general. Indeed, their role is important, for example, when it comes to the development of Finnish tax legislation as they can include industry's views and needs into the preparatory phase of laws. Specifically, the Finland



Chamber wants to support women in business life and corporate social responsibility, as they have developed an award-winning Women Leaders program.

4.2 France

There is a long tradition of chambers of commerce in France; the first chamber of commerce was founded in 1599 in Marseille, in the south of France. Chambers of Commerce and Industry (CCI in French) represent the interests of commercial, industrial and service-based companies, from a specific geographic area and provides them with certain services. There are four geographic levels for CCIs; the first is a close local level, the second level is the region (last year there were 22 regions in France), the third level is the national one and a federal institution called CCI France. Finally, CCI France International is a further level where companies can be supported and represented for their international development.

The French Chamber of Commerce supports the birth and development of companies, for example by supporting them in raising funds, helping them to find the right collaborators and to manage their innovation projects. It promotes the ‘auto-entrepreneur’ status and also organizes training sessions, conferences and meetings. It also supports companies in administrative issues and formalities, which can be very demanding in France. Additionally, the organization enables the transmission and takeover of companies. Through CCI France International, companies can get help with their international development. Recently the Chamber has also started to raise interest in sustainable development.

The Chamber facilitates contact between members of their network. The organization is in touch with many entities, such as the government, other start-ups, big companies, associations, lawyers, accountants and many more, which makes them very useful in terms of time and quality. They have a big network to satisfy the start-ups’ needs and to help them, for example CCI Haute-Savoie has several partners start-ups can use: Frenchtech, Thésame, Students incubator, Papeteries de Cran for the numeric industries, OSV for the outdoor sports, Entreprendre Annecy, France initiative, BPI and Je cree en rhone alpes. Those connections are either incubators, start-up centres, investors or business angels.

The Chamber can host start-ups for 36 months in their incubator (CCI incubateur) or Intech (comparable to French tech). There, they are in contact with other start-ups, gaining experience and knowledge from them and can benefit from this infrastructure for a very small price.

When start-ups seek assistance from the Chamber, it is mainly to set up in an incubator, to find money, to use its relations and documents. In some cases, entrepreneurs and start-ups only have an idea for a business and go to the Chamber to find a way to realize it. Some of the most recurring questions start-ups have are ‘Where to start?’, ‘What do to?’ and ‘Which project is going to be viable?’ As a response, the Chamber helps the start-ups to do market studies, make business plans or help with the notary, accounting, insurance etc., more or less everything that is required for them get started. It is worth mentioning that for many start-ups, once they have been built, there is no need for them to return to the Chamber aside from the formations/trainings that it provides.

From the point of view of small companies, the corporate reputation of the Chamber is not very good. As shown in a study conducted by the CCI of Paris (Flores Morales, 2010), the organization is often considered an administrative body with a slightly dated style, rather than a dynamic hub for services. The Small and Medium Sized Enterprises (SMEs) have the feeling of being faced with an overly complex and bureaucratic organization.

4.3 Germany

Germany’s Chamber of Commerce is a network of 79 institutions which are self-regulatory organisations of the public law. The chambers work regionally and they are democratically structured. The membership is required by law for every tradesperson except craft enterprises, farmers and freelancers. Due to the members, ranging from innkeepers to retailers to big companies, the Chamber of Commerce represents all commercial enterprises in Germany and has a considerable political influence. The aim of the Chamber is to help companies become successful businesses by providing them with support and information.

The Chamber gives feedback concerning the entrepreneur’s idea for the company and the business plan. Against this background, start-ups have to explicitly illustrate aspects of their business like the demand for the offered services, differences and advantages to competitors and the target group. Entrepreneurs have the chance to receive an examination of the financial plan with an illustration of the investments and other requirements for long and short term financial resources. Apart from that, a profitability preview for the following three years can be done by the Chamber and there is the possibility of getting advice for funding programs promoted by the state Hesse, Germany or the EU.

Due to the fact that the Chamber does not serve as an accountant or lawyer, they offer several seminars and workshops where they invite experts from a specific branch to answer questions on those topics. Furthermore, there are other seminars on topics like business strategy, possible strategy mistakes and methods with regard to using public financial assistance.

First, future offerings of the Chamber are determined by the companies becoming a member. Apart from that, it conducts surveys which are publicly accessible in order to examine improvements and it stays in contact with local communities, federations or public banks to be informed about new relevant topics, as one of the interviewees recounted:

Future offerings of the Chamber of Commerce are shaped by any future company that will become a member. We conduct surveys concerning quality management in order to evaluate which offerings can be improved. Furthermore, we constantly do an exchange of information with local communities, federations, public banks etc. which helps to include current and relevant incidents in the services offered by the Chamber of Commerce. (Interviewee from German Chamber of Commerce)

4.4 Hungary

Currently, the Hungarian Chamber of Commerce accounts for more than 43 thousand members and most of them are significant corporations. Regarding their networking, the Hungarian Chamber has potential relationships with most of the neighbour chambers as several bilateral cooperation agreements have been signed. It is divided into three different institutions involving different syndicates, administrative organizations and mixed chambers and sections. The syndicates are also divided into the following subcategories: the Presidium, the Control Committee of the HCCI, the HCCI Committee of Ethics and Professional Committees of HCCI. The assistance from the Chamber can be significant for new enterprises. In August 2012, it began a project with the assistance of Hungary's Ministry of National Economy. The major aim of the network is to support the development of innovative capabilities of SMEs. The program has been very beneficial. By the end of the second quarter in 2014, more than 130 events had been organized for entrepreneurs, which had reached more than 5000 entrepreneurs.

Various financial support is available for start-ups from the Chamber; Venture capital, start-up financing, Széchenyi card, bank financing options, and management of energy communities.

The VIVACE information point is a form of network system offered by the Chamber that is a basic service of innovation advisory. Apart from that, four databases have been established

which provide help for entrepreneurs regarding cluster and R&D activities. The Chamber also offers a database of tenders (national and EU tenders).

4.5 Iceland

The Iceland Chamber of Commerce, founded in 1917, is an association of enterprises, companies and individuals from all sectors of the Icelandic business community. It has always been independent and free from the state's involvement. It is financed by membership and service fees and based on voluntary participation.

The Chamber gathers statistical data and conducts surveys in Iceland in order to give decision makers in business and public policy reliable information about the state of Iceland's various aspects of competitiveness. This can be used to improve the business environment and the national competitiveness of Iceland.

There are mainly two kinds of assistance/solutions that the Chamber offers start-ups; a networking event and funding for research and development. In 2009, it launched the networking event in partnership with the start-up centre Icelandic Start-ups and members of the Chamber. The main aim of this event, which is a yearly event, is to offer a platform for entrepreneurs and experienced managers to meet. In 2015, the Chamber started to grant funds for research and development.

4.6 Italy

The Italian Chamber of Commerce constitutes a net of organizations devoted to the development of local firms and the economic system. In total, there are 105 chambers that operate with similar modes within the national borders. They are public entities, which have promotional, administrative as well as supportive competences at the service of the Italian entrepreneurial world. Indeed, they help the constitution and the development of local firms and local economy and they are mostly in charge of the maintenance of the 'Registry of businesses', which represents a fundamental base of knowledge by containing all the information regarding the establishment, the types and the features of firms.

The Italian Chamber mainly offers assistance regarding the fundamental aspects of certification. All new entrepreneurial entities have to be registered in the Registry of Businesses in order to be legally constituted and to legally operate. The register contains information for all companies with any legal status and within any sector of economic activity, with headquarters or local

branches within the country, as well as any other subjects as required by law. The register therefore provides a complete picture of the legal position of each company and is a key archive for drawing up indicators of economic and business development in each area to which it belongs. The Chamber provides help concerning the correct filling-in of modules.

The Chamber consults start-ups on all legal issues, e.g. contracts, fiscal issues (registration, VAT, Intrastat), logistics, duties and tariffs. It can help with issuing specific documents such as the Certificate of Origin and products Made In Italy and by doing this it helps to establish companies' reputation abroad.

Concerning financial support, the Chamber does not provide funds since the Ministry of Economic Development provides such a function at the governmental level. However, chambers located in special status regions (Italian regions with political autonomy in some matters), as is the case of Trentino Alto Adige, might provide further incentives and services in addition to the national one.

The Chamber organises events for Italian new enterprises. On average, the number of participants is about 100. The main channels used are social media, newsletters, databases and CRM containing 15,000 companies, contacts with former start-ups that have become companies (when searching for new services), universities and schools (when promoting the services of the Chamber - e.g. 'Start-upper') and employment centres.

The Chamber sometimes (as is the case of entities like 'FORMAPER' and 'INNOVAB' in Pavia) provides tailored assistance by facilitating or giving consultancy advice from professionals and ad hoc training. Start-ups can receive support in specific fields like accounting, for instance, as well as feedback on their business plan and preliminary analysis presented by the enterprises when applying.

The Chamber provides assistance to companies willing to go abroad. Offices of the Chamber of Commerce in Italy and the Italian ones abroad support the trade activities of companies in foreign countries by creating new clients' networks, partners and potential investors relationship. In addition, it helps to analyse the entrance in new markets and organizes exhibitions in order to promote Italian firms abroad.

The Italian Chamber of Commerce Abroad is a private entity connected with the public Italian Chamber of Commerce, which helps Italian companies to meet potential foreign investors. The Italian Chamber of Commerce Abroad raises the contacts and selects the counterparts. The chambers keep contact with chambers located abroad through their normal activity.



4.7 Lithuania

The Vilnius Chamber of Commerce, Industry and Crafts (Vilnius CCIC), founded in 1925, is the largest chamber in Lithuania, and is based in Vilnius, the capital of the Republic of Lithuania has two branch offices: Alytus and Ukmerge.

The Vilnius CCIC operates in 9 regions and 3 cities in the south-east of Lithuania or 23% of Lithuania's territory, where more than 44 percent of the country's population live. Almost 36 thousand big enterprises and SMES (41% of the total number of Lithuanian companies), involved in economic activities operate in these regions. The Vilnius and Alytus regions accumulate up to 65 percent of foreign direct investment into Lithuania. As stated by the Law on the Chambers of Commerce, Industry and Crafts:

Vilnius CCIC is a voluntary amalgamation of natural and legal persons engaged in commercial and economic activities provided by the laws of the Republic of Lithuania and implementing the principles of business self-government.

Currently, the Chamber is not assisting start-ups, it is focusing more on estate development, general information, export, imports etc. Those companies or individuals who ask for support in the area are directed to 'Enterprise Lithuania'. Nevertheless, it is planning to establish a national consulting centre to support young business and start-ups which will hopefully prove useful.

4.8 The Netherlands

The first chamber of commerce was founded in 1803 by Napoleon in Rotterdam. Nowadays the Chamber of Commerce consists of 19 regional offices with the head office in Utrecht. The Chamber helps entrepreneurs to start, and helps with innovation and entrepreneurship, both in the Netherlands and abroad. It supports entrepreneurs in their start-up and growth ambitions. With the trade register, it lays the foundation for safe trade.

The Chamber manages the Dutch Trade Register where all companies and legal entities must be registered. Dutch law requires all limited companies, public limited companies, cooperatives and mutuals to deposit each year a financial report and financial statements to the Chamber, and approximately 700,000 companies are obliged to hand in their annual financial statements.

The Chamber provides information to entrepreneurs and provides special regional support for entrepreneurs with (growth) ambitions in three rural areas: Start acquisition, International Business and Innovation. They encourage innovation by supporting entrepreneurs in developing and implementing innovations. They also set up and manage director's squares, which are meetings, both digital and physical. The Chamber develops and manages digital Ondernemersplein. This web portal provides single coherent access to all relevant information from public parties entrepreneurs have to deal with.

4.9 Summary of the chamber of commerce

Chambers of commerce everywhere represent the interests of commercial, industrial and service-based firms. However, in the countries being considered, the chambers fall into one of two main broad types: On the one hand, there are countries where the chambers are associative organisations and participation is optional for companies. They are financed mainly by membership fee, paid by the companies that voluntarily join them (Finland, Hungary, Iceland, and Lithuania). On the other hand, there are countries where the chambers are public legal bodies, established by law and are under the supervision of the State. In those countries, the registering of firms by the chamber has a para-fiscal character and firms must join it in order to operate (France, Germany, Italy, and The Netherlands). These chambers are generally financed through transfer of tax revenues assigned to them by law. In addition, they obtain resources from sale of, or compensation for, activities or services that they provide to the companies.

In all countries, chambers of commerce are supposed to represent the interests of industry, commerce and services in relation to the government and foreign authorities. Therefore, lobbying is a very important activity. Chambers are structured as a network of local chambers (at provincial/department/county level). In their area of competence, they provide the interface between the different actors involved and contribute to the local economic development. They also give support to firms and their associations, providing various services. In relation to foreign trade, besides the services offered by each local branch to the local firms, in all countries there are bodies that connect national firms with each of the main foreign markets (e.g., British-Icelandic Chamber of Commerce, the German Chamber of Commerce in China, Camera di Commercio Italiana in Giappone).



In the countries where they have a public function, they also fulfil public service functions of general interest (such as maintaining the public register of firms), which are assigned to them by law.

Infrastructure:

The dimension of the chambers of commerce, both in geographical terms as well in terms of participation of firms, depends on the size of the country and on their nature, public or private. In *Finland* (joining is optional), there are 19 regional chambers that cover all areas of the country and bring together 20,000 companies and corporate influencers. In *France* (obligatory), there are 101 chambers at department level, which are then grouped by region. At the departmental level, the chambers are in charge of the register of businesses. In *Germany* (obligatory), there is a network of 79 local institutions. All German companies registered in Germany – with the exception of handicraft businesses, the free professions and farms – are required by law to join a chamber (more than 3 million firms belong to the German Chambers of Commerce). Therefore, a very important institutional task of the German Chambers of Commerce is the keeping of the business register. In *Hungary* (optional), there are 23 regional chambers. In *Iceland* (optional), the Iceland Chamber of Commerce is a non-governmental organization based on voluntary participation by companies and individuals conducting business in Iceland.

In *Italy* (obligatory), the chamber system consists of chambers of commerce organized on a territorial basis, Regional Associations, provincial branch offices (105), Regional Overseas Centres, Italian Overseas Chambers of Commerce, Special Companies, European Points of Information, plus more than a thousand holdings in infrastructure, companies, consortia and other organisations. From the institutional point of view, the most important task of the chambers is the maintenance of the ‘Registry of businesses’, which represents a fundamental base of knowledge by containing all the information regarding the establishment, the types and the features of firms.

In *Lithuania* (optional) the Chamber of Commerce, Industry and Crafts operates in 9 regions, and 3 cities. Its activity is focused on supplying general information related to, e.g., export or import activity. In *The Netherlands* (obligatory) there are 19 regional offices with the head office in Utrecht. Also in the Netherlands, as in all the other countries where the chambers are a public body, they are in charge of the business register.

Consulting/Coaching:

As in most activities of the chambers, a certain difference can be seen between the countries where chambers are a public institution and those where they are a ‘private club’. In both types the chambers offer consulting and coaching in the form of networking events, publications, lectures and business advice. Promotion of internationalisation is also a component of the activities of all the chambers, in particular by providing information, organising exploratory missions and aiding with the needed documentation. As in *Italy*, chambers help the approach to foreign markets by issuing specific documents such as the Certificate of Origin. In the countries where the chambers are an institution, consulting and coaching often also involves (as is said by the *French* Chambers) supporting enterprise birth and development and promoting the ‘auto-entrepreneur’ status. The chambers’ role in this regard is to inform the firm about every step of the enterprise’s creation. This support extends, as in *Germany*, to giving feedback concerning the entrepreneur’s idea of a company and the business plan. The assistance to firms in bureaucratic terms is a consequence of the task of managers of the enterprise register, therefore, in *Italy*, as well as in the *Netherlands*, *France* and *Germany*, consulting firms, and in particular start-ups, are given assistance in any legal issues they need in terms of contracts, fiscal issues (registration, VAT, Intrastat), logistics, duties and tariff barriers analysis. Supporting innovation is also one of the tasks of the chambers, as in the *Netherlands*, where support goes from the development phase to the implementation of the innovation.

Financial support:

In *Finland*, the Chamber of Commerce gives indirect financial support to start-ups by financially supporting the Startia enterprise agency. In *Hungary*, the Chamber facilitates the approach to venture capital and advises about bank financing options. In *Iceland*, the Chamber began to grant funds for research and development in 2015. No financial support is given to companies by the *Lithuanian* Chambers.

In the countries where joining the chambers is obligatory, little direct financial support is given, as in *France*, where one of the institutional tasks is to assist companies in their development, including supporting them to raise funds. In *Germany*, the entrepreneurs may ask for an examination of the financial plan and advice on investments and other requirements for long term and short term financial resources. Chambers also perform a profitability preview for the following three years and give advice for funding programs. Similar indirect support is offered by the *Italian* Chambers: they do not give funds, but funds are, however, available through

national programmes of the Ministry of Economic Development. However, chambers located in special status regions might provide further incentives and services in addition to national ones.

Information Support/Training:

In this field, the activity of the chambers is rather similar, regardless of their nature, as they offer general information in fields related to the activities of the firms, to the availability of programmes of support offered by various institutions and in the organisation of ad hoc training. These activities are particularly important for small companies and start-ups, which are the main users thereof. Consequently, it is the chambers that have an institutional role that are more active in organising training programmes for members (larger companies usually do not need such programmes since they organise in-house training). Sometimes this training takes the form of seminars, as in *Germany*, where the chambers invite experts from a specific field to answer questions on related topics. Other seminars are offered as orientation for topics related to business strategy, possible strategy mistakes and methods to access public financial assistance. In *France*, various training programmes are offered by the chambers on various topics related to the management of the firm, the innovation process (particularly the use of IT in the firm) and the procedures and requirements to access other support programmes. Less involved in training are the chambers in the *Netherlands*. The *Icelandic Chamber* and the *Lithuanian Chambers* do not provide a fully fledged training program yet, although the latter are planning to establish a national consulting centre to support young business and start-ups, which would be very useful according to the answers of our interviewed start-ups. In *Italy*, as in most of the countries being considered, chambers provide tailored assistance for start-ups by facilitating the starting procedures and offering consultancy advice from professionals and ad hoc training. Start-ups can receive support in specific fields like accounting, for instance, as well as feedback on the business plan and advice on improving it.

Promotion:

Besides the lobbying related to promoting business-friendly policies, creating a favourable operational environment for companies is a common activity of chambers in each country. This, however, can take different aspects, from open lobbying as in *Finland* to institutional participation to the drafting of legislation in a consultative capacity in the countries where the chambers have an institutional role. In many countries where joining the chambers is optional (such as Iceland and Lithuania) the lobbying activity is less structured.

In most countries, as in *Hungary*, the chambers make information about business opportunities (such as a database of tenders) available. Organisation of events for start-ups is widespread. However, in most cases the chambers leave the task of organising such events and supporting start-ups to the dedicated start-up centres that are often set up by local authorities in collaboration with local actors, among which the chambers play an important role.

In some countries, the chambers have significant programmes for promotional activities, mostly by arranging occasions where local companies can approach perspective clients (trade shows locally, trade missions abroad) as well as by participating in promotional activities of the territory.

Assessment by the interviewed firms:

A common feature of countries where joining the chambers of commerce is optional and those where it is obligatory is the general opinion that firms and start-ups have regarding the relevance and usefulness of the chambers and their services. This opinion is generally pretty low: most interviewed firms in the countries did not find the chambers particularly useful nor helpful. It is also true that many start-ups approach the chambers with an inchoate idea or proposal and cannot receive the immediate operational support they expect. Although the chambers promise to be there for the entrepreneurs, the solutions they can offer mostly depend on the problem at hand, and if they have the right contacts to solve it. Therefore, as chambers are not experts in every field, it is often the case that they cannot find the solution due to a lack of knowledge. Some of the entrepreneurs that were interviewed understand this, however, from the point of view of small companies, the corporate reputation of the chambers is not very good: they are often considered an administrative body with a slightly dated style, rather than a dynamic hub for services. The SMEs have the feeling of being faced with an overly complex and bureaucratic organisation. Therefore, many of the companies interviewed said that once the legal requirements of registration are met, there was no need for them to come back to see the chamber (excluding participation in training programmes offered by them). This was, for example, the case in *the Netherlands*. One of the entrepreneurs said:

‘Only for the obligatory paperwork and stuff, registering and VAT [...] we made use of the Chamber of Commerce. Not for advice. If they would be able to give you great advice they would start up their own companies’. (Interviewee from Company C)



This is a feeling that is shared in all the countries being considered and leads to a limited use of even the services available. Obviously, in the countries where registration in the chambers is a legal requirement, the founders of new companies make use of their services in this regard and the bureaucratic approach they complain about is, at least in part, inevitable (although even bureaucratic requirements can be tackled in a non-bureaucratic way). Excluding these legal requirements, in many countries the companies interviewed did not ask for the chambers' support. In *Germany* (joining obligatory) as well as in *Iceland* (joining optional) none of the firms interviewed for the MARCIEE project asked for assistance from the chambers. In *Lithuania*, according to the entrepreneurs interviewed, there was no point in asking for assistance from the chambers, as they do not assist start-ups at this moment and start-up owners are not aware that they would give any helpful information regarding start-ups' problems.

Furthermore, in the countries where the interviewed companies made use of the services of the chambers (mostly, as in *Italy*, legal support and promotion) on average the start-ups were less satisfied with their services. Even the support in satisfying the formal requirements of registration has been criticised as too complex and difficult to understand in all its parts (the suggestion that the chamber's website needed updating and that the whole process should be easily achievable on line was often repeated).

There is clearly a mismatch between the start-ups' expectations and what the chambers can offer. The areas where this mismatch is more apparent are financial support and technical/technological assistance. Regarding the former, start-ups have limited resources and would need financial consultancy; however, the one offered by the chambers did not meet their needs, compelling the start-ups to rely on professional consultancies that most of the time they cannot afford. Moreover, start-ups have a need for cash that seldom can be satisfied by the chambers. In *Italy*, the chambers provide grants, but they are mainly based on refunding of expenditures. This means that the expenses must be incurred in advance by the start-ups, therefore the grants do not solve the cash need, becoming practically ineffective. In other countries, grants are available to cover expenses *ex ante*, but are generally of a limited amount. Of course, however much one might sympathise with the desire of having cash on tap, supplying cash for the new firms (excluding some very limited seed money) is not the task of a public institution, which is what the chambers are in many countries, nor of the 'clubs' that the chambers represent in the other countries. Investing in the start-ups would be the task, or rather the opportunity, of venture capitalists.



Regarding venture capitalists, technical support, particularly in relation to internationalisation efforts was also considered insufficient because of an extreme standardization of services. In *Italy*, the entrepreneurs interviewed said that they have specific needs that the Chamber on very few occasions is able to meet; technical support was missing most of the time. Furthermore, in the *Netherlands*, while most of the start-ups are positive about the information they can get from market research from the chambers, they are less positive about their advice regarding doing business abroad. Perhaps the expectations were too high but the comment of one of the entrepreneurs is particularly negative:

We spoke to the Chamber of Commerce a few times but....let me put it this way. They know a lot about the basics but when it comes to international trade they don't have a clue what has to be done or what is going to happen. (Interviewee from Company B)

In the end, and even discounting excessive (and unrealistic) expectations on the part of the entrepreneurs, the role the chambers play is not considered important and their usefulness is strongly questioned.

5. Description of the situation: Start-up Centres

5.1 Finland

Entrepreneurship is highly appreciated and encouraged in Finland. However, currently, the poor economic situation in Finland has resulted in less available resources for services such as the trainings of entrepreneurs provided by state-wide institutions such as the Centre for Economic Development, Transport and the Environment. However, start-up centres actively strive to improve their services and organize new events for entrepreneurs, such as 'start information events' in Vaasa.

In Finland, the development and assistance of start-up companies is handled by enterprise agencies that function under development companies. For example, in Vaasa the enterprise agency is called Startia and it is located in the same office as the Vaasa region development company 'Vasek'. Startia is the place to plan the business and Vasek is the place to gain ground when having an existing business. The close collaboration between the two organizations helping start-ups has been found to be useful, for example because the clients have a broader range of business advisors to choose from. Accordingly, this has resulted in Vaasa Region being

one of the most attractive and innovative environments in Finland for companies and employees. According to Startia the start-ups only need to have an idea, and then Startia will help with the rest; generating a business plan, registrations, applications for funding from the Finnish government, and bank loans. In fact, Startia creates a road map for the entrepreneur with guidelines on where to go and in which order. The key task of Startia is to assist start-ups with their business plans. In the words of one of the interviewees:

For us it's enough if people come here with just an idea. Basically we will do everything else for them. We can help and our most important task is to help in starting up the business so all kinds of registrations. Then we help to apply for start money, bank loans, other possible aids, investment support and so on. [...] we make a roadmap for them: where to go, in what order and in the centre is the fact that we help them with making a business plan. (Interviewee from Finish start-up centre)

There is an online platform developed for business planning in three languages (Finnish, English and Swedish). Thereby, the business advisors and clients can discuss online without the need to arrange face-to-face meetings after the first visit at the office.

The Finnish Employment Office advises unemployed people with an interest in starting a business of their own to apply for a specific grant aimed for start-ups. This grant is to help entrepreneurs through the challenging first year of their business. Entrepreneurs need a good business plan for the grant application, which is why many of the clients of Startia are actually sent by the employment office. Also, banks, insurance companies, and Finnvera ask for business plans from start-ups, which makes creating a plan very essential for the entrepreneur.

To summarise, in Finland the entrepreneurs are eligible for a start-up grant if they have developed a good business plan. As enterprise agencies assist in creating this plan, we may conclude that they are very helpful for entrepreneurs. This can be recognized as one of the best practices in Finland. However, not that many entrepreneurs are aware of this help available, which highlights the need for enhanced communications and interaction between start-up centres, chambers of commerce and the start-up companies.

5.2 France

Four years ago, the French government created 'La French Tech' as a coordinating national structure for promoting and developing the entrepreneurial activities in France. La French Tech refers to all the people working for or with French start-ups, in France or abroad. This ecosystem



is made up of entrepreneurs, obviously, but also government agencies. It represents all the players who are working towards start-ups' growth and international promotion. French Tech is supported by the French State but not governed by it. The three main objectives of La French Tech is to federate, accelerate and promote. By federate they mean that they intend to trigger a collective momentum involving as many players as possible throughout France. They will go about this in two ways: (1) by grouping all players together under the 'French Tech' banner, which is open to everyone; and (2) by awarding the 'Metropole French Tech' label to certain outstanding regional ecosystems. The second objective, accelerate, concerns supporting the development of private 'start-up accelerators' in France. A €200m investment fund managed by BPI France has been set up for this purpose. The third objective, promotion, involves boosting the visibility and international appeal of French start-ups. A €15m budget will be invested for this purpose. Apart from national support packages, La French Tech has also developed a specific program to support foreign entrepreneurs who would like to set-up their start-up in Paris.

Apart from that national effort, many regional initiatives have been undertaken to promote the establishment and growth of start-ups, often in the form of technology centres or incubators, financed by public regional bodies. In the region of Annecy for example, a new technological centre is focused on the industries of digital images (<http://www.lespapeteries.com>), in addition to other incubators dedicated to industrial (Galiléo) or outdoor-sports start-ups (Campus Outdoor Sports Valley). In France, it seems like start-up centres are getting more and more specialized, so that the institutional support and the networking opportunities could be more specific and consequently more efficient.

Start-up centres are very popular and positively perceived by entrepreneurs. Many French start-ups have benefited from their support. They were established much more recently than chambers of commerce, for example, and they are smaller, more frequently updated, and more agile and flexible.

5.3 Germany

In Germany, entrepreneurs who want to start a new business are supported by different programs offered by start-up centres.

As a first step, start-up centres can ask consultants, who are already members of local companies, to view a written description of a business idea. Other offers include, for example,

giving advice for financial support, answering questions concerning property rights and offering job trainings or seminars. The support of the start-up centres can concentrate on diverse branches and target groups.

With regard to financial aspects, start-up centres provide information about various funding programs. One kind of support is the EXIST Business Start-up Grant. This is a program of the German Federal Ministry for Economic Affairs and Energy (BMWi) that helps students, graduates and scientists to prepare innovative technology and knowledge based start-up projects. People who are interested in this support can contact the start-up centre in order to see if they fit the requirements of the program. The funding works with monetary support covering the fields' personal living expense, material and equipment and coaching. The maximum period of funding is one year. Another example is the Business Angels Network Germany (BAND), which is organized as a registered association. BAND was founded in 1998 and has been headquartered in Essen (North Rhine-Westphalia) since 2001. Business Angels are typically found at the beginning of the funding chain and they provide young innovative companies with start-up capital and business experience.

The start-up centres also help to connect with reference persons in other faculties and in the field of promotion, they support teams and their projects on the internet.

In order to reduce costs with regard to equipment, the start-up centre supplies several offices for entrepreneurs with a reasonable cost lump sum.

Due to the fact that the start-up centre does not serve as accountant or lawyer, they offer several seminars and workshops where they invite experts from a specific branch to answer questions on those topics. Furthermore, there are other seminars regarding topics like business strategy, possible strategic mistakes and methods with regard to using public financial assistance. For instance, one of the interviewees explained:

We have done a fail-night last year in autumn. There, we have invited three entrepreneurs who have failed with their start-ups. The individuals spoke openly about the obstacles they had faced and the most common mistakes they had made. Since they are highly successful businesspeople now, it was quite easy for them to talk about their past projects. These sort of events are also important for young entrepreneurs.
(Interviewee from German start-up centre)

Regarding relevant websites as assistance for business start-ups, one example is the Start-Up Catalogue (Gründungskatalog der KfW Mittelstandsbank). Initiated and sponsored by the

Federal Ministry of Economics and Technology, the portal refers to information provided by counselling centres, networks, official agencies and banks.

5.4 Hungary

With about 300 start-ups, mainly based in Budapest, Hungary is growing in the field of start-ups. However, a sense of community and pride are missing, resulting in a lack of feasibility to view Hungary as a start-up destination. Nevertheless, an increasing amount of incubators and companies help start-ups to survive in the first stages of entering the market and provide consultancy. This increase might be because of the appearance of different tenders, provided by the state. The incubators provide capital, mentoring programs, office space and an international network for up to two years. Furthermore, for incubators, funding is risky, because they own 20% of the companies. Among Hungarian incubators are Kitchen Budapest, iCatapult and Digital Focus.

Another program is acceleration, which is an intensive short-term program with the purpose of achieving not only the validation of start-ups but also helping them enter the market and find the appropriate growth path. With the help of the Chamber of Commerce's network, a project with the Ministry of National Economy was established in 2012 with the purpose of supporting the development of innovation capabilities of SMEs. Two major achievements were the establishment of a basic service innovation advisory and a database of national and EU tenders. There are three main sources of venture capital in Budapest. First, there is the traditional venture capital firms who manage private funds (e.g. iEurope). Second, there are Jeremie funds, of which most have already been invested in 350 companies in the past five years. Finally, there are government owned venture funds (e.g. Szechnyi and Corvinus) that have already invested in more than 150 companies. Furthermore, not only funds from the EU but also international investors in cooperation with private investors have played a role. Start-ups operating in the life sciences and biotech field are seen as the best ones to invest in. Also, incubators and accelerators serve as funders (e.g. Kitchen Budapest in 2007 and Colabs in 2011).

5.5 Iceland

Icelandic Startups is a start-up centre that dates back to 1999. Its aim is to help start-ups to grow, both within and outside Iceland, by accelerating their business and connecting them with experienced experts, investors and leading start-up hubs. It is constantly working on improving

its already strong international network to help Icelandic entrepreneurs reach foreign markets. Icelandic Startups allies with a broad spectrum of specialists such as successful innovative entrepreneurs, investors, academics and managers, so entrepreneurs taking their first steps can receive good quality help. It categorizes itself as a networking platform connecting innovative entrepreneurs to the right people in the industry.

Entrepreneurs often reach out to Icelandic Startups when they run into obstacles and think they are in need of funding, and want assistance on how to reach out to investors or assistance regarding the process of applying for grants. Anyone can request a consultation meeting for free. Often people come to it with an idea and get help with shaping it and are introduced to tools to develop their idea further. It also offers advice on how to communicate with customers and assist them by having potential customers test their products that are then developed into prototypes.

Icelandic Startups main product is a business plan competition, called ‘The Golden Egg’, which is the biggest business plan competition in Iceland. It has been a beneficial platform for entrepreneurs to get their business idea noticed. Participants in ‘The Golden Egg’ get courses, advice and assistance from experts. Icelandic Startups also offers workshops, educational meetings and accelerator programs where entrepreneurs are trained and prepared for meeting investors as well as promoting and selling their products.

In the future, Icelandic Startups is planning to offer more workshops and educational meetings with foreign experts, especially in the field of go-to marketing strategy or funding and bringing more international entrepreneurs to Iceland. By doing so, it can get people to think bigger, learn from the best and bring in knowledge to Iceland. It also envisions planning more trips abroad with entrepreneurs and start-ups in a bid to reach their potential foreign market.

5.6 Italy

The Italian start-up centres can be divided into two macro-categories: incubators and accelerators, which are characterised by the application of several assistance programmes with a different duration and intensity. They play a fundamental role in the development of new enterprises in the Italian environment. In Italy, there are numerous entities of this kind. They present a variegated set of activities and, according to the analysis, the main differences between them are in terms of the duration and intensity of the programmes offered. The main services



offered by start-up centres are assistance programs, working facilities, investments and promotion.

Generally, the assistance programs include professional consultancy, with the evaluation of the feasibility and training sessions. These services deal with business management, accounting, marketing and communication and are represented, for instance, by mentorship programs that are also available via Skype, or by the economic business sessions. Additionally, they offer a three-week-period of business school after the acceleration program.

Centres rent working spaces for established companies, while the start-ups can use co-working places for free if they have been selected for their program of acceleration. Such services include, for example, spaces reserved to install test equipment, testing, inspection or research, access systems for ultra-wideband to the Internet, meeting rooms, equipment testing, testing or prototypes. With access to a working space, the start-ups have the opportunity to interact with other business founders, investors, companies operating abroad, MNCs and NGOs. This provides the possibility of sharing experiences, expertise, skills and competences. The weakness of co-working is that the start-ups might all be at the same stage in their growth, and if so they cannot benefit as much from each other's experiences (they have the same issues and are not able to solve them); so, what is left is to reach out for external help.

Start-up centres give the start-ups an opportunity to get in contact with investors who finance them in exchange for equity, but also give feedback and consultancies. In the interview the possibility was raised of being financed by bank subsidised loans at zero rate interest where the warranty is the control and the valuation on start-ups made by the start-up centre itself.

Start-up centres promote their activities in order to recruit new ideas and to select the most promising start-up to be financed. The quality and the visibility of start-ups attract investors and funds. Throughout the network and participation in events, the start-up centres successfully attract attention for the activities they do and the start-ups that they have in their portfolio.

5.7 Lithuania

The Lithuanian start-up arena has been heating up in recent years. A friendly business environment, advanced IT infrastructure and favourable relocation conditions have heavily influenced the increasing number of start-ups, foreign investment and community events. Starting up a business in Lithuania requires 7 procedures and takes 20 days or less to be completed. According to the FTTH Council Europe report, Lithuania is an absolute leader in



fibre-optic internet penetration. Moreover, the Ookla Net Index 2014 ranks Lithuania 7th in the world for internet speed. Deutsche Welle has also recently announced Lithuania as an EU leader in e-government services and internet coverage, whilst CNN included Vilnius in the top 10 smart cities around the world. The country's achievements on the European and global stage are quite extraordinary, bearing in mind the size of the nation. Furthermore, Lithuania offers the lowest corporate profit tax compared to countries such as Latvia, Estonia, Poland, the UK and Germany. Therefore, it is not surprising that last year, Lithuanian start-up ecosystem was supplemented with numerous relocated start-ups, mainly from Russia. This thriving start-up culture attracted a world-leader mobile game publisher Game Insight which moved their HQ from Moscow to Vilnius. Likewise, 15 other gaming companies from Russia and CIS have chosen Vilnius as their base. Planner 5D, Devtodev, Kula Tech, 4Talk were among those who relocated and consider Lithuania a great medium country between Eastern and Western markets due to its convenient geographic location.

Enterprise Lithuania supports the establishment and development of competitive businesses in Lithuania and fosters the country's exports by facilitating cooperation with their partners' networks and providing quality training, consultancy, market analysis and business-partner search services. Startup Lithuania is the one-stop shop for information about start-ups in Lithuania and Invest Lithuania is the one-stop-shop & free-of-charge business consulting provider for export oriented foreign investors aiming to relocate or expand their business in Lithuania.

The start-up culture in Lithuania is being fostered every year in terms of events, hackathons and co-working places. Lithuania aims to enrich an entrepreneurial mind-set through more than 100 annual events, meet-ups, hackathons and workshops. Among those attracting the most participants yearly are LOGIN, StartupWeekend Lithuania and SV2B.

The continuous development of creative initiatives and communities helps Lithuanian startup-scene thrive at a rapid speed. Lithuania is also following global trends and can offer modern co-working spaces for like-minded entrepreneurs. Currently, there are open spaces at Hub Vilnius, StartupHighway X, Namas Hub, Sunrise Valley and Talent Garden Kaunas. The construction process of Vilnius Tech Park has already gained pace. Vilnius Tech Park is expected to become the major technology hub for start-ups and other businesses within the ICT sector in Lithuania. It is expected that the new technology park will bring both local and international talent from the most booming sectors, such as gaming, big data, cyber security and visual graphics.



The City of Vilnius, in partnership with private capital companies, has started realizing a ambitious initiative to make Vilnius the main attraction point for tech-savvy talent across the whole region. MITA, the agency for Science, Innovation and Technology, helps to establish start-up companies by providing financial support for research activities. There are also numerous venture capital funds, angel funds, accelerators for business start-ups in Lithuania. In terms of fundraising, the situation has improved dramatically from the zero early stage start-up investors just few years ago. The biggest contributors are VC funds financed by the JEREMIE initiative. They have recently published a performance analysis which states that more than EUR 40 million has already been disbursed to 75 SMEs. One of the most active funds in Lithuania is Practica Capital. They invest in early-stage development and later-stage expansion of start-ups in Lithuania.

In the future, one of the start-up centres, Sunrise Valley, plans to have a program with the universities that are situated in Sauletekis avenue or a collaboration with the research centre which would accelerate start-ups. Another plan is to collaborate with the universities to create a shared space for start-ups because for now the shared space is only provided by the private enterprises.

5.8 The Netherlands

In the nineties, there was a trend, started by the government Twinning initiative in the Netherlands, to breed many ICT start-ups. Meanwhile, the term incubator is again on the rise. Government, universities and businesses realize that new high activity is essential to make the Dutch economy competitive in the world. ‘The knowledge economy’ has been chosen for this positioning. Looking for opportunities to arise and to promote the successful growth of the new high-quality companies, the incubator model was put forward again. In 2009, there were 20 start-up centres in the Netherlands, now in 2016 there are approximately 60 centres.

Incubators are often formed by (semi-) government in conjunction with a commercial advisory service for entrepreneurs. Their income comes mostly from government subsidies. They support start-ups and help them overcome the obstacles that young companies often encounter. Support often consists of workspace, but can also consist of advice, workshops and financial resources.

Incubators are often in industrial areas where the government is quite willing to invest. In this case, the rent and secondary conditions such as notice and things like electricity, internet or

meeting room are often well organized. Along with the additional expertise or workshops offered, incubators provides attractive benefits.

UtrechtInc is a business incubator located in the Utrecht Science Park/Uithof. It was founded by the University of Utrecht, the Medical Hospital of Utrecht and the University of applied sciences Utrecht. UtrechtInc supports start-ups in fields like health, education and climate focusing on companies with Information Technology. The incubator supports start-ups during their first two and a half years of existence. During this time, the organization takes the companies and the entrepreneurs from the first concept to the product, to the market, to their first couple of customers and makes the company ready for further growth.

The organization consists of a highly involved community consisting of starting entrepreneurs, graduate entrepreneurs, mentors, experts and young talent. Their mission is to support ambitious entrepreneurship projects essential for turning knowledge into innovations that contribute to a healthy society. UtrechtInc contributes to the development of start-ups by mentoring them in the process. The organization offers classes, workshops and meetings with experts in order to ensure strong growth for the companies. Their narrow focus on the start-ups involved in the organization makes UtrechtInc innovative and accountable to the society.

Many of the start-up centres have not existed for long and have yet to figure out the best way of working, as highlighted by one of the interviewee:

Well, a lot of incubators make money based on 3 to 6 months programs, but the thing is, innovation is not a 3 to 6 months program. And that is where a lot of incubators go wrong. I would say, especially for the university incubators, they should really focus on long term things. (Interviewee from Dutch start-up centre)

5.9 Summary of the Start-Up Centres

Start-up centres are entities that are growing in Europe. In the countries involved in the project, start-up centres, also called incubators, represent the answer to the increasing demand for support coming from young start-ups and entrepreneurs lacking resources or knowledge.

The establishment of these centres can either be of a private or public nature. For example, in France, their innovation is fostered by government at the national level through French Tech, although it is ruled autonomously; and at the regional level it is financed by regional bodies. Another example can be found in the Netherlands where a start-up centre was founded by the university itself to promote innovation for the health care industry.

These centres basically offer similar services such as assistance and support on where to find information and get in contact with the right people. Very important is the financial support that they provide with some differences in terms of duration, from six months to a maximum of 2 years registered by France organizations. In terms of the amount of financial aid, one of the major concerns in Italy, for example, was the scarce amount of funding. Most of the incubators provide working facilities at an affordable rent which is very important for a starting business with limited resources.

Incubators provide, in most of the cases, the so called ‘acceleration programs’ where start-ups are selected based on a business plan and the potential of their idea and are involved in the phase of acceleration. In some cases, start-ups can get services for free such as offices and support services and for the most valuable ideas they receive funds to develop their product.

Despite the potential and the value added that these centres can provide to young start-ups, some limits were outlined during interviews with the founders of new companies. First, it seems that there is a lack of coordination between the different institutions (chamber of commerce, start-up centres and start-ups). Therefore, an integrated system of communication for these three entities would be beneficial. Secondly, there is a lack of marketing communication programs, which would be helpful for entrepreneurs to promote their idea, but the focus of these incubators seems to be mainly centred on funding. Another issue concerns the specificity of the businesses, (which was also an issue for the chambers of commerce) because some businesses are very specific and they need help which cannot be easily accessed, and most of the time start-up centres that help in a wide area of business fields are not able to cover them all properly.

Another limitation of these incubators is the limited time-horizon. Frequently, the acceleration programs cover only a limited period of time, such as six months or a year, which is a limitation from the viewpoint of the entrepreneurs, who work from a long-term perspective.

Despite some shortfalls, start-up centres for those who experience their services or participate in their acceleration programs were found to be very powerful in enhancing the possibility of developing a new business. They are important regarding obtaining precious funds and for gaining information within the network that these organizations made available to the entrepreneurs. Indeed, it is the network that made the difference among the interviewees. The possibility of getting in touch with the right persons, mentors and experienced entrepreneurs, extending their actual and most of the time limited network, was considered a major plus for inexperienced entrepreneurs at the beginning of their venture.

6. Summary of the Overall Situation

The following summary presents the main findings generated by researching the chambers of commerce and start-up centres in the following European countries: Finland, France, Germany, Hungary, Iceland, Italy, Lithuania and the Netherlands. Overall, the research has focused on the main wishes, needs and expectations expressed by the interviewed entrepreneurs about chambers of commerce and the start-up centres' services offered in their respective country.

The business activities of the interviewees are very different. They range from online shops, web-application development, transportation, brewing machines, information sharing platforms, mobile payment, manufacturers, sales etc.

According to the country's size and trade development, the level of activities and infrastructures offered by the chambers of commerce or start-up centres differ. Nevertheless, and regardless of their size, the chambers' main focus is to represent the interest of commercial, industrial and services of the different companies in the country or region. The role they play regarding relationships with the government and foreign authorities is also important. For this reason, lobbying is a very important activity of the chambers. They are structured as a network of local chambers (at provincial/department/county level).

Related to the chamber participation, there is a key difference between the countries. In Finland, Hungary, Iceland, and Lithuania the chambers are associative organisations where the participation of each firm is optional. They are financed mainly by the firms that voluntarily join them. In countries like France, Germany, Italy, and The Netherlands, the chambers are public bodies, established by law and under the supervision of the State. Registering firms in the chamber has a para-fiscal character and firms must join them in order to operate. These chambers are generally financed through a transfer of tax revenues assigned to them by law.

In terms of consulting and coaching, a great variety of activities are collected from the countries. They can range from: business advice (from birth to development), networking events, lectures, publications, trainings, help related to property valuation, goods inspection and even raising the interest of sustainable development.

Related to internationalization, the chambers are not limited to national borders. They help by clearing trade obstacles, advancing an internationally competitive tax system, influencing international agreement systems, aiding with the needed documentation for foreign trade, and supporting investment initiatives made by companies.



Regarding financial support, the chambers play a crucial role. Very different support is perceived in this field. In countries like Germany, the entrepreneurs have the chance to receive an examination of their financial plan with an illustration of the investments and other requirements for long and short term financial resources. Apart from that, a profitability preview for the following three years can be done by the Chamber and there is a chance to get advice for funding programs promoted by different states. In Finland, chambers give financial support to start ups only indirectly, by financially supporting an enterprise agency like Startia. In Hungary, the chambers facilitate the approach to venture capital and advise about bank financing options. In Iceland, the Chamber began to grant funds for research and development in 2015. No financial support and limited advice is given to entrepreneurs by the Lithuanian Chambers.

In regards to information support, more unanimous replies were found. Aspects like offering general information, the availability of programmes for support and the organisation of ad hoc training were stated. Some of the countries complained that although general information is available, deeper knowledge and information about foreign markets is very necessary. The wish to offer more training activities was indicated, but in this respect different opinions were identified as chambers in some countries hardly offer any support, e.g. the Netherlands, Iceland and Lithuania.

On issues like promotion, once again a diversity of opinions was identified, mainly with regards to lobbying. In many countries where joining the chambers is optional like Iceland and Lithuania the lobbying activity is less structured. In several countries, the chambers prepare information about business opportunities, such as a database of tenders, and make them available. Organisation of events for start-ups is widespread. However, in most cases the chambers leave the task of organising such events and supporting start-ups to the dedicated start-up centres that are often set up by local authorities in collaboration with local actor.

Start-up centres, or incubators centres as they are also commonly called, have grown rapidly in recent years in Europe. They are of a different nature, public or private, when compared with the chambers of commerce. They offer similar services such as assistance which entails support for where to find information and get in contact with the right people for the business. They have different financial support formats, e.g. from six months to a maximum of 2 years registered.



In other countries, these incubator centres do not have or provide substantial financial support. Instead, they provide working facilities at an affordable rent which is regarded as very important when starting a business with limited resources. In most cases, incubators provide the so called ‘acceleration programs’, in which start-ups are selected based on their business plan and the potential of their idea, and involved in the phase of acceleration. In some cases, during this phase a start-up can benefit from the above-mentioned services.

Although there are advantages to the start-up centres, some shortcomings were identified and highlighted. First, there is a lack of coordination between the different institutions (chamber of commerce, start-up centres and start-ups). Second, there is a lack of marketing communication programs, helping entrepreneurs to promote their idea. Highly specialized companies need help which cannot easily be found and most of the time start-up centres that help a wide area of business fields are not able to satisfy such requirements properly. Third, there is the limited time-horizon; the acceleration programs foresee only a limited period of time such as six months or a year, which is limiting from the viewpoint of the entrepreneurs who operate, in principle, from a long-term perspective.

Finally, a set of recommendations from the respondents were compiled. Obviously, the different cultural background, size of the country and the level of business actions created different needs and suggestions from the respondents. It is important to mention that some of the suggestions provided by some countries might not be useful to other countries, or perhaps other countries are already doing similar activities.

Respondents indicated that in their future offers, chambers should include workshops with people who have already founded a successful start-up and a network with other partners as a support in building a customer base. More mentors and coaches who provide assistance concerning financial aspects and who can offer their personal experience would be helpful.

More, and closer, communication between chambers of commerce, start-up centres and entrepreneurs is desired. Interviewees stated that there is a lack of general promotion by start-up centres telling entrepreneurs what they are offering and what they stand for. Seemingly, entrepreneurs are not very familiar with their offerings and how they can benefit from their services. It was also mentioned that it would be beneficial if start-up centres and chambers would focus more on asking entrepreneurs and start-ups what it is they really value and what they really need for their development.



Frequently, entrepreneurs are using word of mouth when going to events or conferences to communicate and to inform the general public about their products and services. Therefore, they suggest that chambers of commerce or incubation centres should organize more social activities where they can improve their networks and present their companies. Entrepreneurs' expectations are more aimed towards business promotion programs or business platform.

Due to the technological revolution and the large amount of virtual companies, they suggested that incubator centres should help them in using other marketing tools to present their companies to other target segments who are over 30 years old and not so technologically savvy. On several occasions it was mentioned that complex webpages and long bureaucracy was the reason why entrepreneurs did not often work with the chamber of commerce. Entrepreneurs suggested an updating of the website's services allowing the users to accomplish most of the requirements online.

Concluding the summary, it can be said that some countries stressed their satisfaction with the performance of the chamber of commerce and starts-ups centres and others, perhaps the majority, identified their weak points. Wishes for improvement and recommendations have been suggested accordingly. Reciprocal learning between the countries involved in this research could provide a synergy effect for learning from each other and improving each other.

7. Best Practices

In all participating countries, the basic role of chambers of commerce and start-up centres seem to be quite similar. In the former case, the aim is to collect and disseminate relevant information, and arrange events and programs that help companies with practicalities such as registration, taxation, law and other regulatory issues, etc. There is a form of 'Central Chamber of Commerce' in every country and then a varying number of regional or local ones. In some countries, all companies are obliged to join the local chamber (e.g., Germany, The Netherlands) whereas in other countries the memberships is voluntary. Concerning start-up centres, their main goal is try to pave the way of an entrepreneur by providing, for instance, cheap office space, and assisting in finding persons and experienced entrepreneurs that have knowledge and expertise in a particular sector. However, on the basis of our results there are some variations regarding how these two actors or agents carry out and implement their strategies. In this section, we investigate some of the most interesting findings which can also be interpreted as 'best practice' assisting and helping start-up companies in each participating country. These



practices could act as starting points to further develop the assistance and supporting services provided by start-up centres and chambers of commerce.

Finland

In general, the chambers of commerce aim to create a favourable business environment to companies whereas start-up centres focus on more operational aspects assisting start-ups during their first years of existence. As for a best practice, it seems that the close collaboration between the local start-up centre and the regional development company has given an invaluable platform for young companies as well as SMEs in general. Companies benefit from the services, being first start-ups and then establishing their business for further growth. It is highly important to provide an unbroken flow of different services supporting and facilitating companies in their growth path. In order to boost entrepreneurship to decrease the threat of increasing unemployment, the government provides a grant for a start-up company if they have developed an eligible and a good business plan. Enterprise agencies also assist in constructing this plan. This system is created to lower the threshold for an individual to start their own business. To stimulate start-up companies and entrepreneurs even more, the Finnish government has just recently introduced an ‘innovation coupon’ worth of 5,000 euros. The idea is to convince start-ups and SMEs to acquire the best possible expertise to boost their innovation activities.

France

Chambers of commerce have over 400 years of tradition in France. Today, they support start-ups in many ways. In addition to a number of conventional forms of assistance, they also assist companies in mergers and acquisitions as well as raising the awareness and interest of sustainable business development. Besides many local programs aiming to help regional initiatives and providing a more conventional assistance to start-up companies, the French government established four years ago an organization called ‘La French Tech’ aimed at coordinating the national structure for promoting and supporting the developed of entrepreneurial activities in France. This is in fact a kind of ecosystem platform that involves entrepreneurs as well as investors, engineers, designers, developers, etc. working for start-ups growth and internationalization. It is not governed but supported by the state. La French Tech aims to trigger a collective momentum involving as many actors as possible throughout the whole of France; to support the development of private start-up accelerators; and to boost visibility and international appeal for French start-ups. Another innovative aspect of this



organization is that it has also developed a specific program to support foreign entrepreneurs that are willing to establish a start-up in Paris.

Germany

Germany is one of the countries in this study where companies are obliged to be members of the local chambers of commerce. As the Chamber of Commerce is a network of 79 institutions representing all commercial enterprises in Germany, it has considerable political influence. The local chambers provide a large range of services even to SMEs and start-up companies. In Germany, many of the start-up companies also cooperate with research centres using research outcomes for their business purposes. Most of the start-up companies (60%) are some kind of service provider. This is somewhat more than in other studied countries. Start-ups in Germany are not dominated by any specific age group (e.g. young professionals), but the proportion of companies established by foreigners is remarkably high (40%). As for best practices nurturing start-ups, Germany offers many public funding programs, and there are also a lot of opportunities for venture capital funding. Another facilitating factor is the increasing amount of collaboration between well-established companies and start-ups, for instance, helping in employee recruitment and planning investments.

Based on the Kassel case, besides the traditional standard assistance the studied chambers of commerce and start-up centres offer, for example, the examination of financial plans including equity capital and requirements for short and long term financial resources, and making a profitability preview for the following three years. The start-up centre in question, Kassel, can also offer crowdfunding assistance, and one specific best practice is that of the business start-up grant which especially supports local students, alumni and staff from the university. However, most of the studied start-up companies have not used the offered services either from the Chamber of Commerce or start-up centre, or at a minimum they had used office space for a certain period of time. As to the reasons for this, some said that it takes too long time to receive help when needed.

Concerning the Mannheim case, the interviewed start-up centre first of all aims to foster networking and enhance knowledge exchange. The centre's specific services and assistance focus on aspects such as inspiration, education and practical support. Here, we can identify some practices that contain issues that could be useful for other start-up centres as well. For example, to inspire start-ups the centre organizes regularly the so-called 'start-up lounges' and 'founder-talks' where entrepreneurs can share their experience, thus facilitating and fostering



relationships and networks. Concerning the educational aspect, the start-up centre contributes to the programs and courses of the local university. The practical support consists of student projects in start-ups including bachelor's and master's theses about entrepreneurship by addressing future relevant issues. This assistance is free of charge. Finally, the start-up centre arranges boot camps and elevator pitching events. The former supports the writing of a business plan and the other start-up relevant issues whereas the latter is targeted to bring together investors and founders to facilitate their interaction in a speed dating manner. In the Mannheim case, the Chamber of Commerce seems to be active besides the traditional services related to company funding, financing and taxation issues. For example, they arrange special events for different target groups such as 'women founder's day'. Their aim is, firstly, to facilitate and match start-up companies with potential investors by giving advice to interested founders on general issues, and secondly, they provide additional expertise on the requested issues. Finally, they provide help in developing sales concepts and planning distribution channels.

Hungary

In Hungary, the number of start-ups is growing rapidly. The government has, besides EU program-based funds and private venture capitalists, boosted the development with its own venture funds. Also, international investors have played a significant role, and Hungarian start-ups have been successful; for instance, one of them won the well-known Slush 100 competition in 2014. It seems typical that in Hungary many of the start-ups are actually some kind of spin-offs where the entrepreneurs have a background of being employees in larger companies and thereafter started their own businesses (similar to the Silicon Valley model). Furthermore, the number of companies offering advisory services (i.e. start-up incubators providing complex service systems) for start-ups is growing, and even here the government has a major role because of the increasing number of tenders initiated by the state. As a kind of best practice, the start-ups can count on these incubators for two years and they can have investments immediately after the check-in stage, and in addition they can learn and develop their businesses with the help of these incubators. In fact, the incubators are entrepreneurs themselves which increases their credibility either in providing formalized complete solutions, necessary competences, or less formalized collaboration in different geographical regions and industries.



Iceland

After the last recession, there has been a boom in start-ups alongside the recovering economy. Entrepreneurs are now more aware of financial risks by getting help and assistance from people with different experience and knowledge in their sectors. This kind of networking and peer support enhances the reframing and improving of initial ideas. A specific feature, and a kind of best practice, in the Icelandic context is the so-called accelerator programs including mentorship and educational components to assist entrepreneurs. After three months of training, the programs concludes with a pitch or a demo day that aims to get investors involved in the participating start-ups. Another practice boosting start-ups is the 'The Golden Egg' competition where ten promising ideas are chosen from a few hundred applications. Moreover, the Icelandic Chamber of commerce hosts a very popular yearly-based relationship event 'New creation - New connection' together with start-up centres. Furthermore, the Commercial College of Iceland and the University of Reykjavik are involved in this event which aims to increase the competitiveness of innovations and start-ups by strengthening and improving education and research. Last but not least, the Chamber of Commerce's research fund just recently launched its first grant in order to award individuals in innovation research to develop research and education to boost the Icelandic economy.

Italy

The Italian business environment is characterized by SMEs as they form the backbone for the whole economy (99.9% of all companies). More than half of the start-ups are located in Northern Italy, and most of them operate in B2B markets providing web & software and R&D related services. At the moment, Italy has adopted actions to foster the establishment and development of new innovative start-ups by promoting a renewed approach towards a public support for entrepreneurship. Although there appeared to be some negative attitudes and bad experiences concerning the services and assistance, chambers of commerce try to help start-up companies in many ways, and the assistance in entrepreneurship development seems to be valuable since the rate of ideas that turn into start-ups is six times higher than without this assistance. Accordingly, the Chambers have established a special section of the Companies Registry dedicated to innovative start-ups in order to ensure greater transparency and accessibility of information. Another best practice concerning the Chambers is the way and special emphasis put on training and helping start-up companies to start businesses abroad.



Start-up centres, on the other hand, have focused more on assistance as incubators or accelerators, and they provide well-conceptualized service packages to the companies. These packages include, for instance, professional consultancy, working space facilities, investor contacts and cooperation. One interesting practice is that the start-ups have an opportunity to get bank subsidized loans with zero rate interest where the warranty is the control and valuation on start-ups made by the centre. These packaged services are mainly appreciated by the companies and the start-up centre can support about 70% of their needs. In fact, start-up centres can also finance these companies in exchange for equity. A special business model is not needed because this instrument is only aimed to scout the start-ups that the centres want to mentor and invest in. Furthermore, there are attempts at the national level to improve and update the accelerator programs in order to create a model with indicators measuring the real value offered by the start-up centres and share them in the whole network. As for the internationalization purpose, one of the interviewed start-up centres provides a collection of tools for helping start-ups to find and establish themselves in foreign markets. These tools include information containing relevant and adequate knowledge of target market areas, incentive and support by meeting banks and companies in the field, designing supply chains into the target market and providing export manager services. Furthermore, the start-up centre has a large partnership network with domestic agencies and it is also a member in the international network of incubators.

Lithuania

During the last few years, the improved and friendly business legal environment, relative low taxes, protection of investors' rights, advanced IT-structure and favourable relocation conditions have increased the number of start-up companies as well as foreign investments in Lithuania. As for indicating some best practices, the entrepreneurial environment is actively supported and promoted by governmental institutions and agencies striving for a kind of 'one-stop shop' of information and assistance to start-up companies (free of charge) as well as a relatively easy and short process to establish and register a business. Also, the start-up culture is fostered by a large number of yearly-based events, hackathons and modern co-working places. Recently, Lithuania has also become a very interesting target for Russian-based start-up companies and investors, and many of these companies have relocated their headquarters, e.g. from Moscow to Vilnius. This has boosted Lithuania's role as a kind of mediating country between Eastern and Western markets. In addition to the foreign investors, there is also an



increasing number of local funds and accelerators that provide funding and mentorship to start-ups. Moreover, Lithuania was the first EU member that benefited from the JEREMIE initiative. On the other hand, the Chamber of Commerce is not assisting start-up companies that much but it is focusing more or less on estate development. However, there are plans to establish a national consulting centre to support young business and start-ups. The situation is somewhat the same concerning start-up centres but the reason is that many of these companies do not think that they would get any benefit out of the centres' assistance. On the other hand, those who have received assistance from start-up centres consider it to be valuable. As for enhancing this assistance, the idea (cf. a kind of best practice) that more experienced entrepreneurs should participate in the different events targeted at start-ups might increase not only the quality of the event but help the start-ups to refocus their mindset more towards real business actions instead of prioritizing investor relationships.

The Netherlands

The number of established companies has also recently increased in the Netherlands. The largest proportion of the new entrepreneurs are providing business services but also retail, construction, and healthcare sectors are well presented among them. Typically, less than 10% of the start-ups actually grow into a successful business. Another aspect is that many of the start-up companies are actually freelancers providing services. In the Dutch context, the successful start-ups are characterized by the entrepreneur's ambition (thinking big), good access to financing, no fear of failure and good sales skills. These characteristics are certainly applicable in other countries as well. However, these findings raise an interesting issue, which is the lack of sufficient sales skills. This is especially typical for entrepreneurs with a unique product or service. Although there is a plenty of knowledge, innovation, capital and entrepreneurship present in the Netherlands, the different parties have difficulties in finding each other (i.e. lack of networking skills and opportunities). It was also assumed that a better guidance for start-ups would have an effect even at the macro economy level, wherefore the government wants to develop the largest nationwide start-up ecosystem in the whole of Europe. As for best practice, the Chamber of Commerce maintains a kind of data bank and provides services around it which are valued by the start-ups. Furthermore, all relevant governmental information can be sought through the Chamber. In addition, start-up companies seem to appreciate the many events and personal advice they receive from the Chamber. Concerning the start-up centre in question, companies can get support from them during the first two and



half years of their existence. This assistance is related to issues such as providing help to develop the first concept to the product, assistance to get into the market and get in contact with their first customers. The start-up centre forms a kind of highly involved community of different type of entrepreneurs, mentors and experts supporting ambitious projects, striving to turn knowledge into successful commercialized innovations. A challenging problem has been the fact that municipalities, investors, and universities have been focusing and investing resources on 'start-ups' that are still projects and not companies with products or services ready to be commercialized in the markets. Even for Dutch start-ups, internationalization has been very challenging - including the European markets. One suggestion is to increase the connectivity and interaction between the European start-up centres. Finally, it must be pointed out that the Netherlands is one of the countries in this study where companies are obliged to be members of the local chamber of commerce.

Summary of the best practices

Our findings concerning the best practices to support and assist start-up companies in eight European countries shows that the services provided by the chambers of commerce in these countries are quite similar, but usually start-up companies do not use or even know what kinds of services or help they could get from them.

A summary of identified 'best practices' implemented by chambers of commerce and start-up centres is as follows:

- Providing incentives such as start-up grants for new entrepreneurs.
- Vicinity of start-up centres, development companies (e.g., accelerators) and the chambers of commerce.
- Using (start-up) consultancy companies for providing services to start-ups and SMEs.
- Focusing on training and developing sales & marketing skills and competencies for start-ups.
- Facilitating the use of experienced entrepreneurs and investors as mentors (assistance, opening contact networks, sharing knowledge).
- Establishing and developing a kind of 'start-up ecosystem' (around start-up centres).
- Collaboration with the European-wide network of start-up centres and chambers of commerce.
- Establishment of versatile public and private funding programs.



- Facilitating students to become entrepreneurs by inspiring, educating and assisting them in practical issues.
- Specific actions and tools for helping and assisting start-ups in their internationalization process.

8. Discussion

Start-ups are seen as the engine of innovation and economic growth. All European countries are therefore focusing on start-ups. The chambers of commerce and special start-up centres are required to facilitate and guide new entrepreneurs. However, what do these entrepreneurs need from them? Our study has highlighted the following issues:

- *Business climate*: An environment (a ‘valley’ or ‘delta’) that encourages entrepreneurship and innovation.
- *Network*: Access to international markets, major corporations, funds and knowledge.
- *Operational support*: For all operational issues involved in starting your own business, such as a workspace, obtaining funding, arranging legal matters, insurance, etc.
- *Knowledge & skills*: Specific knowledge and skills in the field of entrepreneurship and marketing. How do you run a business? How do you take advantage of market opportunities?

Countries differ in the extent to which they provide start-ups with an attractive business climate. Hungary, for example, is still struggling with this issue: a sense of community and a sense of pride is lacking in Hungary, and there is an excessive regulatory burden for start-ups. Lithuania, on the other hand, has set up a system that is so appealing they have even been able to attract foreign (mainly Russian) start-ups.

Chambers of commerce have an important part to play in the implementation of the first two needs, Business climate and Network, in particular. They seek links to government, local authorities and legislators, to ensure the establishment of a favourable investment climate (tax funding, etc.). Operational support and Knowledge & Skills training are needs that are mainly addressed by start-up centres. These provide the actual support and guidance for new businesses. As a result of our evaluation of whether the services provided by the chambers of commerce and the start-up centres actually meet the above-mentioned needs, the following bottlenecks were highlighted:

- *Divergent business climates in the entrepreneurial eco-systems*: The government initiates and organises the chambers of commerce, and the same is often true for the

start-up centres. Government culture, with its rules, procedures and characteristic working pace is often incompatible with the dynamic, agile and flexible culture that characterises the business world and, in particular, the world of starting entrepreneurs. That is a major bottleneck, one that can sometimes restrict the entrepreneur's access to government support. Conversely, while they have the best of intentions, the chambers of commerce and start-up centres have no access to entrepreneurs. This is seen as a problem, especially in Italy and France.

- *Knowledge versus skills:* New entrepreneurs often say, for example, that they want to acquire knowledge of marketing and entrepreneurship. It is not without reason that many start-up centres are located near research universities and universities of applied sciences; after all, that is where the knowledge is. However, entrepreneurship is a skill, one that is difficult to learn, and a request for marketing knowledge often covers the need to develop the ability to operate in the market. Yet a course in entrepreneurship or in social media marketing is not particularly useful for many entrepreneurs. This was the view expressed by German start-ups, for example. What they really need is workshops run by individuals who have already founded successful start-ups. For the same reason, Icelandic entrepreneurs were satisfied with the offerings of their chambers of commerce and start-up centres, because they provide coaching by experienced entrepreneurs.
- *Follow-up support.* Even after they have found a workspace and initial funding, entrepreneurs still need support. Start-up centres often only provide guidance for the first three to six months. However, starting a business is a lengthy process of trial and error, which goes beyond dealing with the operational issues in the first months. Entrepreneurs in the Netherlands, in particular, have said they want to be able to count on continued guidance, even after the initial six-month period has elapsed.

What lessons can the chambers of commerce and start-up centres learn from this?

- Awareness that chambers are not an entrepreneurial end in themselves. Instead, they should maximize the guidance provided to (potential) entrepreneurs.
- Focus on facilitating the coaching and mentoring of entrepreneurs by other (more experienced) entrepreneurs. Professional consulting goes beyond simple knowledge transfer.

- A greater focus on helping starters to develop into real entrepreneurs. That involves arranging for guidance, even after the first six months have elapsed, and beyond operational issues alone.

A greater focus on entrepreneurial skills by coaching and connecting is also needed to deal with the challenges for the future:

- In Finland and the Netherlands in particular, developments in the labour market are causing an increasing amount of unemployed people to be steered towards self-employment. This process often involves people who are not ‘born’ entrepreneurs, but who have been more or less forced to elaborate this option.
- In some sectors, such as healthcare, innovation needs a boost to help keep the cost of future healthcare under control. In that particular industry, it is a lack of entrepreneurship that prevents ideas from coming to fruition. Another factor that makes it difficult for entrepreneurs to enter this market is the fact that the rules and mores of the private market do not apply here.
- Finally, the current buzzword is ‘lean start-up’. Here, experimentation is the key. It enables people to see opportunities, and encounter and seize them. Here, it is the market that does the work, not the company. Therefore, in the future, entrepreneurship will be less about learning and more about doing.

Despite the opportunities outlined above and suggestions for improvement, we conclude that both the chambers of commerce and start-up centres contribute substantially to the entrepreneurial eco-system with their offers. Thus, the local environment is of great importance and the variance *within* the countries might be even higher than *between* them.