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# Alpe-Adria Startup and Scaleup Manifesto

[startupalpeadria.eu](http://startupalpeadria.eu)



# Alpe-Adria Startup and Scaleup Manifesto

by the Start:up Alpe Adria initiative

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- Define startup status
- English as second official language
- Strengthen e-identity
- Tax benefits for startups
- New legal form for startups

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# The Alpe-Adria startup ecosystem: Why connectedness matters

Policymakers and society at large have only recently begun to recognize the economic significance of startups. As attention for startups and startup ecosystems is growing, the discussion among stakeholders has moved from whether to support startups toward the analysis of what should be done. City and regional leaders struggle to accelerate the growth of their ecosystems because the structure and dynamics of startup ecosystems differ radically from those of other industries and make the evolution of startup ecosystems very complex.<sup>1</sup>

When building a startup ecosystem, the initial objective is to create a larger and more connected community by activating local entrepreneurs, talent, and investors. During the activation phase of a startup ecosystem, foundational issues like entrepreneurial spirit, English proficiency, education, ease of doing business, and adapted tax laws as well as focal issues like local connectedness, community, early stage funding, global know-how, and inward and outward programs are important.

Lighthouse projects with international visibility, successful scaleups, and large exits put an ecosystem on the international map and tell entrepreneurs, talent, and investors that the complex conditions required to build a large startup are present. Entrepreneurs, startups, and investors are attracted to these ecosystems from locations perceived as having fewer resources.

### **So, how can the Alpe-Adria startup ecosystem be accelerated to become an international hub for innovative startups?**

Connectedness is the key to success. Building on local connections serves as a solid base to create international and global connections that support knowledge exchanges on cutting-edge technologies and innovative business models with experienced entrepreneurs and investors.

Cultural and social norms are not particularly favorable toward entrepreneurship in Austria and Slovenia.<sup>2</sup> Nevertheless, a vibrant startup scene has evolved in metropolitan areas in both countries. Peripheral regions face additional challenges, with a low density of population and resources that tend to be attracted by the central ecosystems in bigger cities. The question is how to counterbalance this trend.

As local resources are limited, stakeholders and policymakers need to identify the right actions to take at the right times for maximum impact. This is the only way for smaller ecosystems to accelerate and capture a share of the new economy within the coming 10 to 20 years, rather than be left behind. In the Start:up Alpe Adria project, the partners Start:up Slovenia (Tovarna podjemov), Lakeside Science & Technology Park, Technology Park Ljubljana, and Kärntner Wirtschaftsförderungs Fonds work together to support the development of the cross-border Alpe-Adria startup ecosystem. A key element of this project is the preparation of the *Alpe-Adria Startup and Scaleup Manifesto*. Based on manifestos addressing policymakers at the European, Austrian, and Slovenian levels as well as input from 22 Austrian and Slovenian startups, a roadmap was drawn up. This document is expected to initiate discussions among stakeholders in Carinthia, Styria, Burgenland, Slovenia, and Northern Italy, serving as one of many further steps toward a tightly connected network. In this way, local strength will lead to global growth.

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## AUSTRIA

### Startup Policies

The Austrian government's program for 2020–2024 contains major steps to catch up with the leading European startup hotspots. Important measures that were called for in the Austrian Startup Agenda 2019 are included in the government's program: modernization of the Red-White-Red Card (startup visa), measures to promote entrepreneurship education, a new legal form for startups, the creation of regulatory sandboxes, less bureaucracy to get subsidies, tax breaks for investors, the activation of institutional capital from pension funds, and increased support for social entrepreneurship and green technologies.

## SLOVENIA

### Slovenia, The Land of Startups

In March 2018, the Government of the Republic of Slovenia confirmed its awareness that startups are of the utmost importance for the development of the Slovenian economy and promotion of entrepreneurship by adopting the Action Plan Slovenia, The Land of Innovative Startup Enterprises. The Action Plan includes 17 obstacles, identified by the Slovenian startup community, and proposals to overcome them. Progress is ongoing, and major shifts have already taken place in some areas.

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# Create Supportive Framework Conditions



Startups in the Alps-Adriatic region face bureaucratic hurdles and far-reaching regulations, which hinder innovative and growth-oriented startups from competing internationally. Numerous measures have recently been implemented in Austria<sup>3,5</sup> and Slovenia<sup>4</sup> to improve the framework conditions for startups. Specific programs for entrepreneurs provide subsidies, incubators, and agencies that assess and advise entrepreneurs.



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## AUSTRIA

### Digital Services

Through the [Austrian Business Service Portal](#),<sup>3</sup> most public services are available online. Austrian citizens and businesses can contact the public administration digitally and rely on electronic proof of identity. The Austrian government's program for 2020–2024 includes the creation of a new legal form for startups and foresees a further simplification of the founding process.

## SLOVENIA

### Electronic Services & the Startup Community Hub

The Slovenia Business Point (previously e-VEM) provides accurate information about the procedures required for performing business activities in the Republic of Slovenia and allows for an ever-growing selection of electronic services, from establishing a simple company to services related to the labor and social laws. The portal is connected with the [STOP the Bureaucracy](#) portal, a portal that is enhancing at systematically prevent administrative barriers encountered by the entrepreneurs. So called "Single document" was created where the administrative and other barriers of enterprises are listed with the responsible ministry and timeline to solve them: [enotnazbirkaukrepoz.gov.si](http://enotnazbirkaukrepoz.gov.si).

[startup.si](http://startup.si) is the central hub of the Slovenian startup ecosystem run by Start:up Slovenia, which aims to recognize the best Slovenian innovative startup companies at the earliest development stages as well as expertly support them and promote them to the public.

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Although the administrative and regulatory framework has improved, the administrative burden for startups is still significant and being reduced too slowly.<sup>5</sup> Thus, Austria remains amongst the lowest-performing three EU Member States in terms of the number of procedures required to start a business,<sup>6</sup> and the level to which public administration is responsive to the needs of startups in Slovenia is below the EU average.<sup>7</sup>

Many startups and companies are facing difficulties in finding highly skilled personnel and are looking for new employees abroad. The use of English as a second official language would greatly facilitate the connection of local startups with the international tech scene<sup>8</sup> as well as strengthen the exchange within the Alps-Adriatic startup ecosystem. Of course, this also means that startups provide their communication materials in English.

Stakeholders of the startup ecosystem are calling for a uniform legal form throughout the EU. An EU limited by low share capital, simple foundation processes, the quick transfer of shares, reduced reporting formalisms, and international recognition should solve several problems for scaleups. These issues initially have to be addressed at the national level and should be based on the example of the English limited company.<sup>9</sup>

The legislative and regulatory framework has to be simplified, and English communication has to be encouraged to create an attractive location where entrepreneurs can rely on a stable and predictable business environment.

## Call to action

### OBJECTIVE

### ACTIONS

#### International positioning of the Alpe-Adria startup ecosystem

- Develop a clear, unique selling proposition for the Alpe-Adria startup ecosystem
- Set up a professional marketing campaign
- Create a support ecosystem for startups that supports active institutions and connects their services to comprehensive joint programs
- Establish an English web portal for regional and international startups or investors, with a single entry point and information on all institutions and activities of the support ecosystem

#### Develop and evaluate policies

- Set up an Alpe-Adria Startup Advisory Board for political decision makers to integrate founders' perspective and position the Alpe-Adria startup ecosystem
- Monitor the development of the Alpe-Adria startup ecosystem in comparison to international ecosystems (benchmarking)
- Analyze market gaps that require public intervention on a regular basis
- Support policy makers when evaluating and developing new instruments (e.g., with an annual public policy conference for policy makers)

#### Define startup status

- Implement simplified rules and exceptions for innovative and technology-oriented companies in the startup phase (for business registration, social security contributions, collective agreements, and industry-specific regulations)<sup>10</sup>

#### English as second official language

- Publish all official documents online in English

#### Strengthen e-identity

- Simplify the digital founding process<sup>11</sup>
- Set up digital notary services that do not require the physical presence of international founders or investors


#### Tax benefits for startups

- Reduce taxes and social security costs for innovative startups in the early stage (e.g., deferred payment of income tax)

#### New legal form for startups

- Create a new legal form for innovative startups with which international investors are familiar (simple foundation process, flexible allocation of shares to potential investors and employees).

# Broaden Education



Our knowledge-based society requires open-minded people who think independently and act in a responsible manner. Education in childhood and youth is the key, and entrepreneurial education strengthens these skills.

Digital transformation leads to increasing automation and producing far more dynamic conditions, thereby resulting in fundamental changes to the labor market in coming years. If talents in the Alps-Adriatic region should have a chance in this competitive environment, the education system needs to be changed.

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## AUSTRIA

### Future-oriented Education

The Educational Lab of the Lakeside Science & Technology Park in Klagenfurt is an open research laboratory for new forms of education and training in the fields of MINT (mathematics, information technology, natural science, technology), entrepreneurship, and international cultures and languages.

## SLOVENIA

### Nurturing of Entrepreneurial Talent in Slovenia

POPRI is an annual Slovenian entrepreneurial competition for young people (primary and secondary school pupils as well as university students, graduates, and young people under 29) co-organized by the Primorski Technology Park, SPIRIT Slovenia Business Development Agency, and Slovene Enterprise Fund. The aim is to support the development of entrepreneurial thinking, creativity, and innovation. Participants acquire new skills and experience.

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Experts rate entrepreneurial education in schools in Austria and Slovenia to be rather mediocre. The evaluation of entrepreneurship education in the post-school stage is better, but still average.<sup>12</sup> As in other sectors of the economy, the potential of qualified, educated women in the startup environment is not being used. Only 3,8% of the female population (aged 18-64) in Slovenia and 7,9% in Austria are either a nascent entrepreneur or owner-manager of a new business, whereas the percentage of men is almost twice as high or even higher.<sup>13</sup>

Graduates with an entrepreneurial mindset are more creative, self-confident, and attractive to employers. Independent and critical thinking and an understanding of digital processes have to be the key pillars of a modern and future-oriented education system.

## Call to action

### OBJECTIVE

### ACTIONS

#### Entrepreneurial education

- Introduce entrepreneurship courses and activities as part of the core curriculum at all levels of education.
- Support as many different entrepreneurship programs in schools as possible (competitions, groups, conferences, summer camps, exchanges, media, and promotional activities)
- Encourage the establishment of university entrepreneurship departments

#### Teacher training

- Integrate entrepreneurship education and modern methods of encouraging entrepreneurial drive and entrepreneurship amongst youth in teacher education

#### Academic spin-offs

- Provide support for students/researchers starting a company
- Create incentives for professors to support spin-offs
- Provide transparent spin-off guidelines and standardized IP regulations
- Support projects between faculties/universities to support the formation of interdisciplinary startup teams

#### Female entrepreneurs

- Strengthen the role of women in entrepreneurship
- Implement specific support programs for women starting a company

#### Education for business

- Attract experienced foreign startup mentors and integrate them into all phases of startup development—from the idea to fast growth

#### Digital literacy in schools

- Introduce digital literacy and ICT as part of the core curriculum in schools
- Train teachers in ICT

# Activate Talent



In addition to the major European hubs of London, Paris, and Berlin, an increasing number of cities like Amsterdam, Copenhagen, and Barcelona have managed to position themselves as startup hubs. They attract startups and proactively bring founders into the country.

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## AUSTRIA

### Funding for Future Entrepreneurs

The program UIG (*Umsetzung innovativer Gründungsvorhaben*) of the Carinthian Economic Promotion Fund (KWF) supports potential entrepreneurs with innovative ideas. They are employed at a higher education institution (university) for nine months. During this time, they develop and validate their business model before actually founding a company.

## SLOVENIA

### Slovenian Startup Register and Support for Startups

The Slovenian Startup register run by the Slovene Enterprise Fund provides startups with an official recognition of their status. This is linked to direct benefits, such as easier hiring of employees from third countries due to a simplified visa procedure.

SPIRIT Slovenia supports SIOs (subjects of innovative environment), which are mainly business incubators and technology parks. They offer free support for potential entrepreneurs, startups, and scaleups with workshops, mentorship, and expert consulting.

The Startup Plus program, implemented by the Slovene Enterprise Fund, combines all key support elements that innovative startups need for fast global growth. In addition to financial incentives, the program includes an intensive mentoring program as well as training.

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Thus far, the Alps-Adriatic region has not played a significant role in the international startup scene, despite favorable conditions with a geographical location in the heart of Central Europe, high quality of life, and low costs of living. A non-functional startup visa,<sup>14</sup> the lack of English language resources, and few lighthouse projects with international visibility are among the reasons why very few people come to the Alps-Adriatic region to set up innovative companies. Startups need simple procedures to employ the best available talent. It must become easier for highly skilled persons to set up a company, get a job, hire outside of their home countries (Slovenia has made an important step in this direction



by simplifying the hiring of third-country residents for startups), bring talent back home, and work with new, more flexible working arrangements. For the Alps-Adriatic region, this leads to a need for action in two key areas: increase incentives to hire and do more to attract talent.

## Call to action

### OBJECTIVE

### ACTIONS

#### Mobilize talent

- Hire or train one additional employee: fund or subsidize training vouchers to facilitate the training of young people in successful scaleups without creating additional financial burdens for the startup

#### Improve incentives to hire

- Facilitate cross-border working arrangements: clarify employment law and taxation issues for startups (evaluate options of cross-border remote work or cross-border telework)
- Adopt first-hire incentives (reduce taxes and social security costs)
- Introduce a tax regime that encourages the use of stock/share options as an effective way to attract talent and reimburse top-performing employees

#### Attract talent

- Simplify and speed up the process for employing foreigners (more flexible framework conditions for visas in terms of required degree, minimum salary, family members, option to switch jobs, etc.)
- Attract top startups with a welcome package (see Startup Chile, French Tech Ticket)

#### Build networks

- Create and support cross-border and international startup and innovation networks

# Go International



For growing startups and scaleups, access to international markets is a key element for success. Moving to another market means moving toward a bigger base of potential customers, a larger pool of people for recruiting, and often new capital markets to approach for further funding. The step toward internationalization poses a great deal of challenges. Appropriate international partners and networks, financial resources, and varying legal frameworks are particular needs for startups going international.<sup>15</sup>

## AUSTRIA

### Qualification for Internationalization

The program “Internationalization Assistant” (by KWF) is a two-year training and qualification program. Employees of Carinthian companies are supported in the implementation of strategic internationalization projects and benefit from experience and information exchanges.

#### Access to International Markets

The foreign trade organization AWO (Außenwirtschaft Austria, part of the Austrian Chamber of Commerce—WKÖ), with its worldwide network of more than 100 offices in more than 70 countries, provides an excellent international network for startups going international.

## SLOVENIA

### Internationalization Opportunities in Slovenia

Podim is the most influential startup and tech event in the CEE region, where innovation meets business opportunities and capital, as well as knowledge and experience. As a nonprofit platform, Podim serves as an important launchpad for CEE startups to new markets outside the region.

SPIRIT Slovenija offers information and support for Slovenian export companies on the “Izvozno okno” portal and organizes and co-finances individual and group trade fair missions.

SPIRIT Slovenia supports enterprises that want to market their brands abroad, position their products and easily enter the global value chains.

The Ministry of Foreign Affairs offers services for economic diplomacy through its network of economic advisers, whose main task is to support Slovenian companies entering foreign markets.

Despite the progress made to support startup internationalization (voucher schemes for internationalization by Slovenian Enterprise Fund, “go international” initiative, and the Global Incubator Network [GIN] in Austria),<sup>16</sup> there is still room for improvement. The number of startups entering later stages of development is increasing, creating a need for support to manage the growth phase successfully. Strong scaleups contribute the most to startup ecosystems in terms of job creation and gross revenues.

Many startups internationalize stepwise, often starting with markets that are close. The proximity of neighboring countries in the Alps-Adriatic region should be turned into an asset by providing opportunities such as finding partners along the value chain and getting easy access to test markets in the DACH region or in CEE countries.

## Call to action

### OBJECTIVE

### ACTIONS

#### Support global growth

- Strengthen export orientation of startup companies and support internationalization (export consulting, funding for market development, programs for international cooperation of companies, intensified cooperation between startups and embassies/foreign trade offices)

#### Promote cross-border cooperation

- Support and coordinate cross-border activities of startups
- Offer cross-landing services for startups and scaleups in the Alps-Adriatic region with a single point of contact
- Create awareness in startup communities and build industry-specific cross-border networks

# Mobilize Capital



Startups and scaleups in the Alps-Adriatic region currently lack capital for growth.<sup>17</sup> The Austrian and Slovenian governments have made major efforts to address the problem, but the Alps-Adriatic region continues to lag behind Europe. Scarcity of venture capital is causing scaleups to move to places with easier access to equity financing. Know-how and jobs are thus migrating to London, New York, and other startup hubs. In order to counteract this trend, incentives and framework conditions must be created that mobilize venture capital in the Alps-Adriatic region in the long term, thereby enabling the financing of innovation.

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## AUSTRIA

### Venture Capital for the Carinthian Economy

In 2018 the new BABEG Venture Fund was established (by the Carinthian Business Location & Public Investments). The fund invests together with private, independent co-investors in innovative, growth, and technology-oriented SMEs. In addition to mobilizing private venture capital, the fund provides a powerful network with know-how and strategic benefits for companies being invested in.

## SLOVENIA

### Co-investing and an Investment Conference

The Slovene Enterprise Fund provides grants for innovative startups and seed capital in the form of convertible loans and equity Investment and also an equity financing for fast-growing innovative companies to support rapid global growth by co-investing up to 600.000 EUR (SI-SK) with an independent private investor (business angels, private/venture capital fund, or corporations). Besides that Slovene Enterprise Fund entered in the Central European Fund of Fund (CEFoF) that enables the venture capital investments for enterprises.

*Next Round* is an investment conference organized by ABC Accelerator, Business Angels of Slovenia, Ljubljana University Incubator, and Technology Park Ljubljana and co-financed by the Slovene Enterprise Fund that allows startups to meet with venture specialists from large corporations and key investment groups in the region.

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The main sources of financing for startups and scaleups are still mainly the founder's own resources,<sup>18</sup> followed by public subsidies and allowances as well as business angels. National and regional support programs complement the private capital market. A variety of programs<sup>19</sup> have been developed in recent years to support startups in different development stages, which makes up for the weak equity market (GEM 2019).<sup>20</sup>

Nevertheless, startups face a lot of obstacles when dealing with the public support system. Unclear funding structures, rampant bureaucracy, the lack of English language resources, inflexible project procedures, and uncertain payments create inefficiencies and slow down innovation. The funding landscape must be adapted to the needs of modern growth companies. To bridge existing funding gaps, support packages have to be made more accessible.

## Call to action

### OBJECTIVE

### ACTIONS

#### PUBLIC FUNDING

##### Transparent, simple, flexible processes

- Provide reliable plans (to ensure liquidity) and reduce bureaucracy in funding (transparent and fast funding decisions, objective impact targets)
- Adapt funding structures and guidelines to the current, dynamic market conditions. There should be a possibility of adapting funding applications quickly and easily while the funding period is running.

##### Startup stipends

- Provide startup scholarships for all persons who want to start a company<sup>21</sup>

##### Female entrepreneurs

- Create incentives for teams with female entrepreneurs<sup>22</sup>

##### Social innovation

- Include societal and social innovations (social entrepreneurship) in innovation funding programs

#### PRIVATE CAPITAL

##### Mobilize venture capital (VC)

- Provide appropriate conditions for foreign VC funds (regulations in the field of intellectual property, taxes, work legislation, etc.)
- Clarify and modernize fund taxation; new regulations on the taxable realization of profits and losses are needed
- Actively attract foreign private investors and promote the Alpe-Adria startup ecosystem abroad (e.g., send startups to international investment events like Slush, Web Summit, Pioneers, and CES)

##### Create tax incentives for growth

- Create tax deductibility of startup and growth financing for innovative startups and SMEs with an upper limit per investment and an overall cap<sup>23</sup>
- Create incentives for foundations to invest in startups (investment of at least 3% of funds in startups or VC fund)
- Introduce a tax regime that allows for the taxation of stock options upon execution

##### Invest in funds of funds

- Participate in multi-country funds and facilitate partnerships with banks and investors

##### Activate alternative financing sources

- Mutually recognize crowdfunding platforms between countries





# Power Innovation

As a region without large reserves of raw materials, the Alps-Adriatic region must rely on its innovative strength to be competitive at the international level. Therefore, research and development (R&D) and the efficient transfer of R&D from universities and research centers to the business sector are required as sources of innovation.

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## AUSTRIA

### Spin-offs with an International Impact

Several Carinthian success stories underscore the important role of research institutions and universities as sources of innovation. Sensolligent GmbH (spin-off of Lakeside Labs) and Bitmovin and Hex GmbH (spin-offs of University of Klagenfurt) are inspiring role models and lighthouse examples with international visibility.

## SLOVENIA

### An Innovation Platform

INNOVUM, a platform run by the University of Maribor, aims to facilitate access to university research infrastructure and personnel, thereby contributing to the R&D efforts of corporations, startups, and scaleups.

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Although a lot has been done in recent years to strengthen cooperation between science and industry,<sup>24</sup> experts in Austria and Slovenia rated R&D transfer as average.<sup>25</sup> Startup companies are an important part of this process because new technologies and innovations are often first commercialized through startup companies. Not only does the gap between research institutions and startups need to be bridged, but many large corporations are also seeking collaborations with startups. They are experimenting with open innovation strategies in order to keep up with rapid technological change and partner with startups to be in the lead with innovative products and services.

In the European Innovation Scoreboard 2019 (Hollanders 2019) Austria is a strong innovator, with continuously increasing performance since 2011. Slovenia is a moderate innovator, showing a decline in performance relative to that of the EU since 2011.<sup>26</sup> Important dimensions in this ranking are intellectual property rights (IPR) generated in the innovation process, the collaboration efforts among innovating firms, research collaboration between the private and public sectors, and the

share of firms introducing innovations to the market or within their organizations. While a highly skilled and educated workforce is available to a similar extent in Austria and Slovenia,<sup>27</sup> this does not lead to strong output indicators in Slovenia, and important innovation potential is lost.

The government represents a major stakeholder in the innovation system. As such, it can ease the access for startups to government contracts by way of public procurement<sup>28</sup> and involve startups in government funding instruments to stimulate collaborations among research institutions, startups, and large corporations.

In addition, the testing of highly innovative business models and novel products can be supported as they often face a poorly defined regulatory environment that inhibits innovation. The resulting uncertainty hinders both founders and progress in the respective field. For this reason, Great Britain began to establish so-called sandboxes in the financial sector as early as 2016, providing a regulation-free space. Sandboxes allow startups to experiment freely as legislators analyze the market and potentially necessary regulations. Denmark, Switzerland, and the Netherlands have followed this example in Europe.<sup>29</sup> This opportunity should be given to startups in the Alps-Adriatic region as well.

To power innovation in the Alps-Adriatic region, we propose using sandboxes, opening research and innovation funding to the wider community, supporting new and disruptive business models, and deepening corporation–startup collaborations.

## Call to action

OBJECTIVE	ACTIONS
<b>Promote innovative Alps-Adriatic region</b>	<ul style="list-style-type: none"> <li>• Establish innovation ambassadors of the Alps-Adriatic region, including scientists, entrepreneurs, and innovators who feel close to the region and promote the region abroad as a destination for research-innovation activity and for startup companies.</li> </ul>
<b>Strengthen knowledge and technology transfer</b>	<ul style="list-style-type: none"> <li>• Define the process and conditions for the commercialization of technologies from public research organizations (PROs) and universities</li> <li>• Ease access to technologies created in public research organizations (e.g., by introducing vouchers for R&amp;D services from PROs that are subsidized)</li> </ul>
<b>Use sandboxes</b>	<ul style="list-style-type: none"> <li>• Implement regulatory sandboxes to test innovative technologies, products, and services in their early phases in safe environments</li> </ul>
<b>Create incentives for startup-corporate collaboration</b>	<ul style="list-style-type: none"> <li>• Allocate funding for corporation–startup collaboration as part of the overall innovation funding</li> <li>• Encourage the participation of leading large and medium-sized corporations in matchmaking initiatives. The government can assist with data and matchmaking services.</li> </ul>
<b>Support intrapreneurship in corporations</b>	<ul style="list-style-type: none"> <li>• Promote and accelerate the development of corporate entrepreneurship in mature organizations, connecting them with the startup ecosystem</li> <li>• Offer programs using the lean startup approach for internal projects and spin-offs in medium-sized and large companies</li> </ul>

## Endnotes

- 1 The Global Startup Ecosystem Report 2017/2018 (Startup Genome, Global Entrepreneurship Network 2018)
- 2 Global Entrepreneurship Monitor - Global Report 2018/2019 (Bosma 2019) Country Profiles Austria p. 68, Slovenia p. 103  
EFCs (Entrepreneurship Framework Conditions) Scale:  
1 = highly insufficient to  
9= highly sufficient  
Cultural and social norms:  
Austria (3,88) and Slovenia (3,72) rank poorly; only Italy and Bulgaria rank lower in the European ranking
- 3 2019 SBA Fact Sheet – Austria:  
Implementation of the Austrian Business Service Portal (*Unternehmensserviceportal*, [www.usp.gv.at](http://www.usp.gv.at)):
  - Handling of certain tax claims
  - The electronic business establishment service allows startups to be established entirely onlineSince January 2019, notaries can establish a limited liability company digitally and shareholders can join the process via virtual chat rooms and electronic signatures. The duration and process of setting up a business remains the same though.
- 4 SBA Fact Sheet – Slovenia:
  - Establishment of the national business point (SPOT) portal, which provides entrepreneurs with a range of improved, free services under a single brand. It includes electronic communication with the public administration, business registration (with adviser assistance if required), consulting services (information, training, etc.), and services related to internationalization and foreign investments for exporters and investors (SPOT Global).
- SEF (Slovenian Enterprise Fund) established registers of innovative startups and companies with high added value. The startups in the registers benefit from simpler administrative procedures, tax relief, etc. (<https://podjetniskisklad.si/sl/register/register-inovativnih-zagonskih-podjetij>).
- In June 2018, the e-application for a single residence and work permit for foreigners (E-vloga za pridobitev enotnega dovoljenja za prebivanje in delo tujcev) was established to speed up and simplify the recruitment of foreign nationals who have specific skills and are waiting to be taken on by a known employer (e.g., a high-tech company).
- 5 Global Entrepreneurship Monitor Report 2018/2019: Country Profiles Austria p. 68, Slovenia p. 103  
EFCs (Entrepreneurship Framework Conditions) Scale:  
1 = highly insufficient to 9= highly sufficient:
  - Government policies: taxes and bureaucracy: Austria (4,0), Slovenia (3,33)
  - Government entrepreneurship programs: Austria (6,18) – rank 2 in Europe after Luxembourg, Slovenia (4,96)
- 6 2019 SBA Fact Sheet – Austria/Slovenia:  
Number of procedures required to start a business: Austria (8), Slovenia (3), EU average (5,39)

- 7 2019 SBA Fact Sheet – Austria/Slovenia:
  - In 2019, Slovenia still had the second highest paid-in minimum capital requirement in the EU (36,8% of income *per capita*). Austria: 11,9%, EU average: 9,57 %
  - Time it takes to pay taxes in 2019: Austria (131 hours), Slovenia (233 hours), EU average (172 hours)
  - Burden of government regulations in 2018: Austria (3,52), Slovenia (2,62), EU average (3,35) (1=burdensome, 7=not burdensome).
- 8 (Austrian Startups 2019): p. 23, (AAIA, Austrian Startups, AVCO 2019): p. 11
- 9 In Austria and Slovenia, there is currently no legal form that meets the requirements of growth-oriented early stage startups. The majority of startups are founded as a limited company: GmbH (Gesellschaft mit beschränkter Haftung) in Austria or d.o.o. (družba z omejeno odgovornostjo) in Slovenia. These legal forms have specific disadvantages for international scaleups:
  - share options for employees: complex legislation and unattractive tax schemes
  - transfer of shares: costly bureaucracy for entrepreneurs
  - international investors are not familiar with legal form of GmbH/d.o.o.
- 10 In Slovenia, startups may apply to be listed in a startup register governed by the Investment Promotion Act (Article 31) and run by the Slovene Enterprise Fund. For startups, the inclusion in the register means official confirmation of their status, which can be beneficial in certain calls and tenders; however, there are some direct benefits, such as simplified hiring of foreigners (i.e., registered startups are not required to provide certain documents to the Employment Service of Slovenia).
- 11 Good Practice example: Estonia: state-issued secure digital identity for non-residents (e-residency without physical presence), English documentation
- 12 Global Entrepreneurship Monitor Report 2018/2019: Country Profiles Austria p. 68, Slovenia p. 103 EFCs (Entrepreneurship Framework Conditions) Scale: 1 = highly insufficient to 9= highly sufficient:
  - Entrepreneurial Education at School Stage: Austria (2,62), Slovenia (3,12)
  - Entrepreneurial Education at Post School Stage: Austria (5,23), Slovenia (4,77)
- 13 Global Entrepreneurship Monitor Report 2018/2019, Table 3, p. 120: Female/Male Total early-stage Entrepreneurial Activity (TEA) Rates: Austria (13,9% male/7,9% female = 0,57), Slovenia (8,8% male/3,8% female = 0,43)
- 14 (Austrian Startups 2019), (AAIA, Austrian Startups, AVCO 2019) (Rebernik 2014)
 

The Austrian government's program for 2020 contains a reform to the Red-White-Red Card (RWR Card) with the consolidation of the legal framework, a one-stop shop at the Austrian Business Agency, simplified application procedures, and reduced salary limits (Die neue Volkspartei, Die Grünen - Die Grüne Alternative 2020)
- 15 Austrian Startup Monitor 2018 (Leitner 2018)
- 16 2019 SBA Fact Sheet – Austria p. 16, 2019 – SBA Fact Sheet – Slovenia p. 19 (European Commission 2020)
- 17 European Innovation Scoreboard 2019 (Hollanders 2019):
 

The indicators for the availability of finance for innovation projects by venture capital expenditures range below half of that of the EU (100%) (Austria 30,1%, Slovenia 3,9%).

Private equity investments as a percentage of GDP, 2018 (by country of destination of investment): Austria 0,24%, Slovenia ranks last with 0,003% (Invest Europe 2019)
- 18 2019 SBA Fact Sheet (European Commission 2020): Austria p. 11, Slovenia p. 13
- 19 2019 SBA Fact Sheet – Austria (European Commission 2020): p. 11
  - venture capital fund set up by the Austrian Federal Promotional Bank (aws)
  - definition of the legal requirements for establishing a financing company for SMEs (MiFiG – Mittelstandsfinanzierungsgesellschaft)
  - the Vienna Stock exchange started two new market segments to attract SMEs by providing easier, low-cost access to equity capital
  - revised crowdfunding law (Alternativfinanzierungsgesetz/AltFG)
- 2019 SBA Fact Sheet – Slovenia (European Commission 2020): p. 13
  - Slovenian Enterprise Fund provides grants and financial instruments and non-financial support
  - Slovene Equity Growth Investment Programme
- 20 Global Entrepreneurship Monitor 2018/2019 (Bosma 2019):
 

In an expert evaluation of the accessibility and efficient functioning of equity markets and the availability of typical financing channels for entrepreneurs, Austria (4,99) and Slovenia (4,97) received an average rating (weighted average: 1= highly insufficient; 9 = highly sufficient). This

includes informal investment, professional business angels, venture capitalists, banks, government loans, grants and subsidies, and crowdfunding.

- 21 Austria: currently a stipend is only available for unemployed persons (UGP – Unternehmensgründungsprogramm of AMS-Arbeitsmarktservice); freelancers/students are excluded.
- 22 Good practice example: FemPower Bonus der Wirtschaftsagentur Wien, Bonus 10.000 €
- 23 Good practice model: (Seed) Enterprise Investment Scheme (SEIS/EIS) in Great Britain
- 24 Good practice examples for the promotion of cooperation between science and economy:  
Austria: The Christian Doppler Laboratories of the Christian Doppler Research Association. The COMET program of the Research Development Agency (FFG) supports the development of Competence centers for cooperation between business and science at a high level. In more than 40 centers, around 1,500 researchers from science and industry work together to implement internationally competitive research programs.  
Slovenia: In the previous programming period (2014-2020), 19 sectorial competence centers were supported with 7,75 million EUR. The centers, which are partnerships between companies and other organizations in certain sectors, involved more than 300 companies and 14.000 people. In the current programming period, 17 competence centers for human resource development aim to establish partnerships managed by a project team, develop a competency model, identify the skills and gaps, and implement training programs. They involve 250 companies with more than 35.800 employees.
- 25 GEM 2019, Table 12, R&D transfer from universities and research centers to the business sector:  
Austria 4,47/9, Slovenia 4,29/9
- 26 European Innovation Scoreboard 2019 (Hollanders 2019), p. 62 – Austria, p. 66 Slovenia:  
– share of firms that have introduced innovations onto the market or within their organizations: Austria 149,9%, Slovenia 68,4% relative to EU average of 100%  
– the collaboration efforts among innovating firms, research collaboration between the private and public sectors, and the extent to which the private sector finances public R&D activities (Linkages): Austria 165,7%, Slovenia 100,6 % relative to EU average of 100%

– IPR generated in the innovation process, including PCT patent, trademark, and design applications: Austria 145,8%, Slovenia 81,4% (PCT application Austria 133,5%, Slovenia 52,9%)

- 27 European Innovation Scoreboard 2019 (Hollanders 2019), p. 62 – Austria, p. 66 Slovenia:  
The 'human resources' dimension includes new doctorate graduates between 25 and 34 years old who have completed tertiary education and training as well as populations between 25 and 64 years old who are involved in education and training: Austria 116,7%, Slovenia 103,0%, relative to EU average of 100%
- 28 2019 SBA Fact Sheet – Austria/Slovenia: Austria performs below and Slovenia above the EU average in the area of public procurement.  
– percentage of awards for which the winner was an SME Austria (42), Slovenia (78), EU average (57,32)  
– proportion of bids coming from SMEs: Austria (59,7), Slovenia (74,9), EU average (72,52)  
– percentage of calls for tenders split into lots: Austria (11,7), Slovenia (44,8), EU average (29,89)  
Austria has developed a number of measures to improve the performance.  
– The Austrian Action Plan on Public Procurement Promoting Innovation and the SME Strategy of the Federal Procurement Agency (Bundesbeschaffung GmbH) were implemented to meet the specific needs of SMEs.  
– The Federal Ministry for Digital and Economic Affairs implemented an online service (Ausschreibungsservice im Unternehmensserviceportal) in March 2019 as a central hub for providing SMEs free and unlimited access to all tenders in Austria.
- 29 Scale up Europe (Lisbon Council, Nesta, Open Evidence 2016), p. 24

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## Additional Sources

Exploratory, semi-structured interviews with startups in different development stages were conducted to integrate their perspective of the startup ecosystem.

REF.-NR. PODIM	STARTUP	INDUSTRY 1	INTERVIEW PARTNER
<b>Austria</b>			
The majority of startups are located in Carinthia (Klagenfurt), although two startups are based in Styria (Graz – see label "G").			
<b>Early Stage</b>			
70 (G)	Doro Turbinen GmbH www.doro-turbine.com	Energy and utilities	Stefan.strein@doro-turbine.com
73	Nordril Technologies www.nordril.com	Energy and utilities	Stefan Glawischnig, CEO Stefan.glawischnig@nordril.com
77	Silent-mode Projects www.silent-mode.com	Energy and utilities	Roland Pufitsch, founding partner rolandp@freenet.de
108	Aeonic Light www.echtguteslicht.com	Lifestyle and entertainment	Florian Schaubach, CEO flo@aeoniclight.com
110	Bellatrace GmbH (not founded yet) www.lakeside-labs.com	Lifestyle and entertainment	Samira Hayat, CEO Samira.hayat@aaau.at
<b>Growth Stage</b>			
94	Harmony&Care Ltd. www.harmonyandcare.com	Life science and agriculture	Anja Silberbauer Anja.Silberbauer@harmonyandcare.com
111	BERGAFFE GmbH www.bergaffe.com	Lifestyle and entertainment	David Dietrich, CEO david@bergaffe.com
125	Inscouts GmbH	Growth stage Lifestyle and entertainment	Alex Pinter alex@inscouts.com

1 Categories used in PODIM report (reference number):

- business and productivity
- energy and utilities
- financial services
- life science and agriculture
- lifestyle and entertainment
- materials and manufacturing
- mobility and transportation

133	Seven Seas Gear GmbH www.stepdive.com	Lifestyle and entertainment	Tiemen van Dillen, CEO tiemen@stepdive.com
147 (G)	Drone Rescue Systems GmbH www.dronerescue.at	Mobility and transportation	a.ploier@dronerescue.com
150	Hex GmbH www.hex-solutions.com	Mobility and transportation	Marissa Florian, Project Manager Marissa.florian@hex-solutions.com
GB (goblock)	Firewall Stützmauersysteme und Brandschutz GmbH goblock.at	Materials and manufacturing	Daniel Schöffmann (founder, not part of the company any more) danielscho@edu.aau.at

## Slovenia

### Early Stage

82	Arvio d.o.o.	Financial services	Ajda Kaluža www.arvio.si
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### Growth Stage

	Institute 4.0 d.o.o.	Training courses and instruction	Tilen Tomazin http://stiri.si/
03 (2019)	Agitron d.o.o.	Business and productivity	Dejan Đorđević dejan@agitron.io www.agriton.io
101	Modri Planet d.o.o.	Life science and agriculture	Tomaz Izak www.3Dsurvey.si
128	LuckyOne d.o.o.	Lifestyle and entertainment	Matjaž Loc www.lucky3in1.com
146 (2019)	Biometrika, d.o.o.	Mobility and transportation	Sergej Prosen sergej@armbeep.com www.armbeep.com
146 (2018)	Simarine d.o.o.	Materials and manufacturing	Jaro Žuraj jaro@simarin.si https://www.simarine.net/
	Borgla d.o.o. <sup>2</sup>	Life science and agriculture	Marko Borko marko@borgla.com https://kefirko.com/
	Pravi um d.o.o.	Materials and manufacturing	Maja Rajterič https://tobiar.com/
	Saving d.o.o.	Life science and agriculture (Medical devices)	Marino Samardžija http://www.savvy.si/

<sup>2</sup> Not in the catalogue. Attended PODIM multiple times.



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