

Business support in the CEE

*127 startup non-for-profit and non-governmental organisations across 12 countries engage in building startup communities, mentoring, accelerating and mediating between startups and public authorities.
Fin-Tech deserves more attention – active Fin-Tech organisations operate in only 5 from 12 countries.*

The global entrepreneurship scene is littered with associations which bring together startups, business professionals, investors and other stakeholders of the yet so flourishing shift towards young businesses. The wide variety of activities aiming at promoting entrepreneurship range from globally active organisations to locally based charities. While the first build own truly comprehensive ecosystems, the second often focus on cooperation with national business partners and public authorities.

This phenomenon is clearly visible also in 12 countries of the CEE region. Startup associations and organizations supporting entrepreneurship play a great role in at least 5 domains:

- 1) Building the community
- 2) Mentoring and educating
- 3) Promoting entrepreneurship in the society
- 4) Engaging in mediations with state authorities and conducting own research
- 5) Launching business incubators and accelerators.

The data covering 12 CEE countries reveal that there are at least 127 various startup non-for-profit and non-governmental associations and organisations engaged in providing one or more of the above-mentioned services. 17 of them are active globally. The particular attention should be payed to Bulgaria and Poland – two countries with the most developed business support infrastructure in terms of the number of organisations. At the other end of the scale may be found Hungary and Lithuania with little more than 5 business organisations each.

Among all startup associations in the CEE, Fin-Tech young businesses may find these dedicated to support specifically their growth. However, across all 12 countries, there have been only 5 such organisations found, operating in Czech Republic, Estonia, Hungary, Latvia and Poland.



*Organisations pursue their mission by organising networking events and meetings.
Rarely do they cooperate with incumbent businesses and corporations.*

All analysed organisations engage in fostering startups' growth through at least one of the following activities:

- organising events,

- providing facilities such as co-working space,
- publishing online advice,
- providing access to local incumbent institutions and cooperating partners,
- launching accelerating and incubating programs.

It may be argued, which of these initiatives brings most value to a member startup. The analysis reveals that about 70% of organisations perceives organising events and meetings as the activity worth undertaking. In this respect Romania and Albania take the first position with 100% of there located institutions organising startup meetings. Events are followed by providing facilities (58% of organisations). What is definitely missing is the cooperation with established companies – only about 30% claims to partner officially with any company to exchange knowledge, facilitate cooperation between the startup and the company.

Business accelerators and incubators

84 accelerating and incubating programs across 12 countries were active in August 2017. Poland was a leader in this kind of support thanks by a governmental program "ScaleUp".

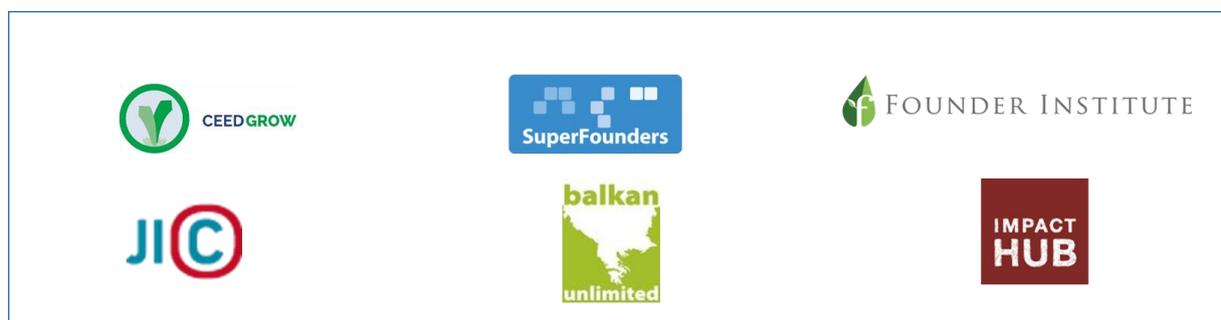
This particular form of support plays a distinctively different role than business support organisations in general. Their often organised programs foster growth of selected startups by:

- mentoring the company by a professional,
- organising workshops and access to experts in marketing, accounting and other related areas,
- giving access to offices,
- facilitating the process of VC financing or granting non-refundable financial aid
- giving access to business clients.

According to the available sources of information, Fin-Tech established in the CEE region had in August 2017 the opportunity to take part in about 84 accelerating and incubating programs in total. Poland is an indisputable leader in this area with 23 active initiatives established largely by associations supporting entrepreneurship in cooperation with corporations. This high activity was fostered by a governmental program "ScaleUp" providing financial grants for a number of accelerators.

Almost each country benefits from at least one international program established also within its borders. There have been registered 6 multinational programs operating in the CEE region, but some of them expanded to two or more regional economies.

INTERNATIONAL ACCELERATING PROGRAMS OPERATING IN THE CEE REGION



Accelerators and incubators provide professional know-how and access to investors. Often missing is non-refundable financial help and access to *business partners*.

Support with professional know-how about business management seems to be the most widely provided service – almost all analysed institutions claim to help startups this way. What's interesting, about 80% also claim to give the young companies access to investors. The availability seems relatively high, however it should be emphasized that business accelerators support only selected companies fulfilling strict criteria of profitability and potential growth. Access to investors clearly exceeds also the possibility to acquire non-refundable grants – only about 43% of the analysed organisations provide such help. Additionally, not more than 60% of all institutions cooperates with large companies - potential clients of member startups.

The analysis reveals that although young Fin-Tech businesses have a relatively easy access to events and networking meetings, the region lacks true cooperation with incumbent institutions, as well as does not provide enough access to financial resources. In addition, only 5 countries perceive Fin-Tech industry as an important element of their market to the extent that encouraged to establishing dedicated support organisations. Countries should investigate further these areas and pay exceptional attention to issues underlined as underdeveloped in order to facilitate development of the Fin-tech scene within their borders.