

iEER Interreg Europe-project

Startup guide for improvement by young entrepreneurs

LAUREA University of Applied Sciences | Helsinki Peer Review

Helsinki - Uusimaa | Brandenburg | Hauts-de-France | Kerry | Marche | Northern Ireland | Southern Denmark | Valencia | West Pomerania | West Region Romania

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Talking Start Ups?

Startup vocabulary

Incubator and accelerator programs

Accelerators and incubators provide a combination of services for online and mobile startups, including mentorship, funding, networking, training and/or office space.

Accelerator

Are fixed-term, cohort-based programs that include mentorship and educational components and culminate in a public pitch event or demo day.

Incubator

An organization that helps develop early stage companies, usually in exchange for equity in the company. Companies in incubators get help for things like building their management teams, strategizing their growth, etc.

Co-working

In a separate location involves shared environments where individuals and small groups gather together to work in a community, usually paid for on a membership basis and invoiced either monthly or daily. These spaces provide a community workspace with shared services that let individuals and small groups share ideas and mutually support each other's work.

Living Lab

Is a research concept. A living lab is a user-centred, open-innovation ecosystem, often operating in a territorial context (e.g. city, agglomeration, region), integrating concurrent research and innovation processes within a public-private-people partnership.

Startup

A startup company is a company in the early stages of operations. Startups are usually seeking to solve a problem of fill a need, but there is no hard-and-fast rule for what makes a startup. A company is considered a startup until they stop referring to themselves as a startup.

Young startups are in the Centre of iEER project

iEER project aims to define smart paths and solutions for partner regions to boost and orchestrate entrepreneurship ecosystems supporting young entrepreneurs when forty per cent of young The young entrepreneurs are in the Centre, when developing the startup and accelerator support for them. Please familiarize yourself with the young entrepreneurs interviews made during Slush 2016 event.

Inspiring regards,

Marjo Ruuti

Senior Lecturer in Laurea University of Applied Sciences (UAS)

Laurea UAS Project Manager in iEER project

Startup vocabulary

A Agile

A philosophy of software development that promotes incremental development and emphasizes adaptability and collaboration.

Angel investor

Individual who provides a small amount of capital to a startup for a stake in the company. Typically precedes a Seed Round and usually happens when the startup is in its infancy.

B Bootstrapped

A company is bootstrapped when it is funded by an entrepreneur's personal resources or the company's own revenue. Evolved from the phrase "pulling oneself up by one's bootstraps."

Bridge loan

Also known as a swing loan. Short-term loan to bridge the gap between major financing.

C Capital

Monetary assets currently available for use. Entrepreneurs raise capital to start a company and continue raising capital to grow the company.

Capital under management

The amount of capital, or financial assets, that a venture capital firm is currently managing and investing.

Convertible debt

This is when a company borrows money with the intent that the debt accrued will later be converted to equity in the company at a later valuation. This allows companies to delay valuation while raising funding in its early stages. This is typically done in the early stages of a company's life, when a valuation is more difficult to complete and investing carries higher risk.

D Debt financing

This is when a company raises money by selling bond, bills, or notes to an investor with the promise that the debt will be repaid with interest. It is typically performed by late-stage companies.

Disruption

Also known as disruptive innovation. An innovation or technology is disruptive when it "disrupts" an existing market by doing things such as: challenging the prices in the market, displacing an old technology, or changing the market audience.

Due diligence

An analysis an investor makes of all the facts and figures of a potential investment. Can include an investigation of financial records and a measure of potential ROI.

E Enterprise

The term enterprise typically refers to a company or business (i.e. an enterprise tech startup is a company that is building technology for businesses).

Entrepreneur

An individual who starts a business venture, assuming all potential risk and reward for his or herself.

Equity financing

The act of raising capital by selling off shares of a company. An IPO is technically a form of equity financing.

Exit

This is how startup founders get rich. It's the method by which an investor and/or entrepreneur intends to "exit" their investment in a company. Common options are an IPO or buyout from another company. Entrepreneurs and VCs often develop an "exit strategy" while the company is still growing.

F Freemium

You give the basic product away for free and then try to upsell features to your customers. This marketing ploy is often used in directory businesses.

Lead investor

A venture capital firm or individual investor that organizes a specific round of funding for a company. The lead investor usually invests the most capital in that round. Also known as "leading the round."

M Minimum Viable Product, MVP

The bare-bones version of a product required achiev-

ing proof of concept. Often used in the creation of new software that will be Beta tested, and later upgraded with extra features.

Monetize

How you are making money — or more often, how you plan to make money.

Pivot

The act of a startup quickly changing direction with its business strategy. For example, an enterprise server startup pivoting to become an enterprise cloud company.

P Proof of concept

A demonstration of the feasibility of a concept or idea that a startup is based on. Many VCs require proof of concept if you wish to pitch to them.

R ROI, Return On Investment

This is the much-talked-about "return on investment." It's the money an investor gets back as a percentage of the money he or she has invested in a venture. You want things to be "ROI positive."

S Scaleable

Something that can grow to a huge size because the market and demand is big enough or because you will be able to move into different markets with your product via Pivoting or Iterating (see above).

Seed

The seed round is the first official round of financing for a startup. At this point a company is usually raising funds for proof of concept and/or to build out a prototype and is referred to as a "seed stage" company.

Sector

The market that a startup companies product or service fits into. Examples include: consumer technology, cleantech, biotech, and enterprise technology. Venture Capitalists tend to have experience investing in specific related sectors and thus tend not to invest outside of their area of expertise.

Stage

The stage of development a startup company is in.

There is no explicit rule for what defines each stage of a company, but startups tend to be categorized as seed stage, early stage, mid-stage, and late stage. Most VCs firms only invest in companies in one or two stages. Some firms, however, manage multiple funds geared toward different stage companies.

T Term sheet

A non-binding agreement that outlines the major aspects of an investment to be made in a company. A term sheet sets the groundwork for building out detailed legal documents.

V Valuation

The process by which a company's worth or value is determined. An analyst will look at capital structure, management team, and revenue or potential revenue, among other things.

Venture capital

Money provided by venture capital firms to small, high-risk, startup companies with major growth potential.

Venture capitalist

An individual investor, working for a venture capital firm that chooses to invest in specific companies. Venture capitalists typically have a focused market or sector that they know well and invest in.

Source: boradly form internet with the keywords startup vocabulary, jargon, terms, glossary

Preface

About iEER-project

iEER is an Interreg Europe funded flagship project bringing together 10 regions around Europe. Initiated by a group of regions awarded with the European Entrepreneurial Region label, iEER will define smart paths and solutions to boost regional entrepreneurship ecosystems supporting young entrepreneurs.

The participants of iEER-project were asked to join in a thought-provoking discussion and interview arranged by Laurea. The aim of interaction cut to the core problems and possibilities in supporting start-ups companies and accelerations.

The interviews were conducted parallel to Slush 2016, Helsinki. Slush is a student-driven, non-profit movement originally founded to change attitudes toward entrepreneurship. The very core of Slush is to facilitate founder and investor meetings and to build a world-wide startup community. In 2015, Slush was organized in Tokyo and Beijing for the first time. In 2016, Slush is spreading to Tokyo, Shanghai and Singapore.

The purpose for the conducted interview was to highlight the obstacles and challenges in startup's support services and to find possible solution to manage the whole process of starting a successful business from scratch.

The outcome of the work is a visual presentation, which provides valuable up-to-date insights into entrepreneurial thinking, experiences, and aspirations.

Members involved:

Laurea:

Marjo Ruuti, Senior Lecturer in Laurea

Feelancers:

Renita Niemi, Designer

Roscoe Lee, Cinematographer

Interviewees:

Gunita Kulikovska, Vividly, founder	[1]
Tomas Novotny, 720, founder	[2]
Erik Rusanen, Villada, founder	[3]
Kenneth Holm Thomsen, Dexter founder	[4]
Fergal Hynes, Expertsoftware, founder	[5]
Ulrich Tillich, Oculyze, founder	[6]
Katja Richter, Diamond Inventics, founder	[7]

Summary

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INTERVIEWS

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FIELDS OF BUSINESS

6

COUNTRIES

Latvia | Germany |
Ireland | Denmark |
Czech Republic | Finland

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MINUTES OF INTERVIEW
CONTENT



Ireland



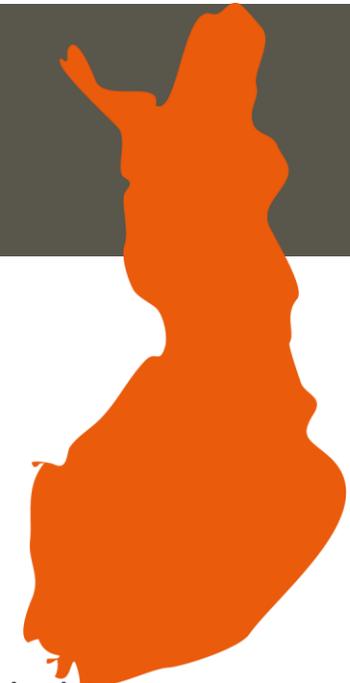
Denmark

Germany

Czech Republic

Finland

Latvia



Summary

6

FIELDS OF BUSINESS

.....

Virtual reality |
Travel industry
Consumer electronics | Gaming |
Artificial intelligence
Software | Biotechnology |
Cleantech



Fields of business

Virtual reality + architecture

- **Vividly** - embracing VR for progress in architecture industry. Virtual reality a new media for better communicated ideas.

Travel industry

- **Villada** - Rental villas in Europe for Finnish and Swedish customers. In the future virtual reality will add more value for the customers.

Consumer electronics | gaming | artificial intelligence

- **Dxtr labs, inc.** - A mission to help the world embrace play. Smart toy for kids to combine virtual and the real world through a play, in order to understand how a child is developing and how to maximize the learning potential in each individual child, in a fun way!

Software

- **Isc.Ltd.** Software testing service and own products in ICT

Internet of Things (IoT)

- **720°** indoor air quality measurement. 720° is a cloud based analytics solution for real-time collection and evaluation of indoor environmental quality data such as: air quality, thermal comfort and noise pollution.

Biotechnology | Cleantech

- **Diamond inventics**, Rapid pathogen on-site paper-test for everybody and everywhere
- **Oculus**, Developing and building mobile microscopes with integrated image analyses

Interviewees

The interviewed business founders have different backgrounds. Some of them is still doing basic studies while the others have several years' research or working experience. The programs should be modified based participants' previous experience. The others have no experience how to write business proposals or then the others have huge amount knowledge how to run a project and what are the main turning points.

Rookies founders

"[...] after couple minutes he just looked us and said guys you have no idea about what you are doing, **you gotta come smart on this.** I can't help you in this stage; you don't know what to do, where to go, how to set up a company, **you gotta do some home work.** Which in bumper [...] we were flying in clouds after getting really great grades at the exams this is gonna be awesome... in first meeting you have no idea what you are doing.

[...] the networking in the university helped us figure out **not prober business plan but this business model canvas** and figuring out what is really the key players, what is really going to drive core values and kind of get that into a map, which was completely foreign to us, none of us had that background. We were fortunate to do that **as a part of our education[...].**" [1]

Kenneth | Dexter [4]

Erik | Villada [3]

Gunita | Vividly [1]

Mature founders

" Some days the frustration was [huge] [...] **we all have families we are not students, we can't eat noodles and tomato sauce for half a year. We have a responsibility. We have a household with kids and schools and stuff. It was really hard during the months that we didn't have investment and it didn't look like we were going to get any soon.** [S]ome people say that when you want to be an entrepreneur then you need to put everything into it, and you need to get through these phases. When I see what a team we are, with families, we are all almost 40... **when you are 15 years younger then it is acceptable...** when you fail you can just try the next thing. But when you have researchers... we made really huge innovations. We had patents. **If you want to motivate researchers to leave the cosy world of university then you need to give them more support. Then they don't need to be afraid that their families will suffer.** This was really hard at the time and we missed support from the networks around us." [7]

Ulrich | Oculyze [6]

Tomas | 720 [2]

Fergal | Expertsoftware [5]

Katja | Diamond Inventics [7]



Questions

The participants of iEER-project were asked to join a thought-provoking discussion and interview arranged by Laurea. The aim of interaction cut to the core problems and possibilities in supporting start-ups companies and accelerations. Here we provide some of the answers. The interviews can be seen in videos ([link](#)).

Asked questions

1. Tell us your story, how did your company start?
2. What excites you about your company?
3. While trying to get your company off the ground, what obstacles did you encounter?
4. What's on your horizon, what's the next new and exciting thing?

5. Have you received any public or private support services, for example; funding, mentoring or coaching? Tell us a bit about this?
6. Regarding the company's pre-start up, start-up and growth phases, how would you develop these support services? See Startup development Phases as reference
7. Was this beneficial and how can these support services be improved?
8. Have you experienced the pre-incubator, incubator, and accelerator programs? What's your thought on these co-working spaces and their services, and how can we improve them?
9. Would it be useful to test and validate your idea in living labs? Please describe what kind of environment would be useful for you?

10. Do you have any advice or tips for other start-ups?

Warming up questions from one to four (1-4) gave valuable understanding how the companies are established and what has been the main obstacles or challenges that has encountered. The questions from five to nine (5-9) go deeper in the topic and present the core of the project. With these questions, the public or private support services are highlighted, how they are functioning at the moment and if there is something to improved. Question number ten (10) provides valuable information for other entrepreneurs.

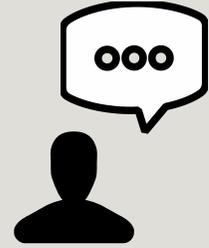
Questions

	A1	A2	A3	A4	A5	A6	A7
Q1							
Q2							
Q3							
Q4							
Q5							
Q6							
Q7							
Q8							
Q9							
Q10							

10
QUESTIONS



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ANSWERS



Q5 Public or private support services

Q5 Have you received any public or private support services, for example; funding, mentoring or coaching?

Public or private support services are related to funding, mentoring or coaching. Usually it is given through range of strategies for promoting the business.

*There were couple of boot camp type of events, programs... so may be it **allowed to establish understanding on what is... the map of the start up and how to positioning yourself [globally?] and locally as well, but we haven't reached out for that, we are now considering. First of all your first investor is your customer, that helps you to validate and this is how you should make business.***

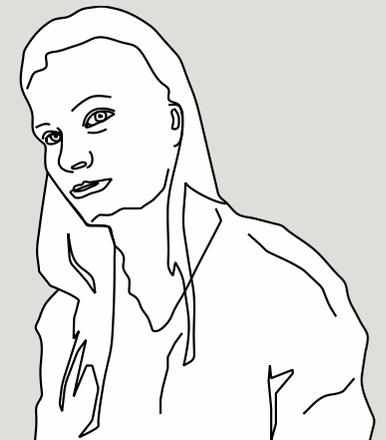
*In Startups there is this **huge buzz** around and you are dragged in to the cloud where there are **unicorns and evaluations [and rainbows]... raising money and raising money, not having a cent in your pocket!***

So I believe, that you have to do things, that are not scalable, which means, basically usual business in order to understand what to scale. So this is how we also started: we just find the first client to work with by knocking the doors and to say "hey, we have this technology and you have this beautiful architectural building [...]"

*Then after couple of the month establishing the company we purposefully approached the one private / public fund, which is sort of de minimis tool when that gave us 50 000 e basically to do the prototyping and to do the start for the company. That would be considered as that kind of tool called **soft loan** thing. It is not just like a bank loan where you just get liabilities, but it is softer and smaller and it **allows you to raise your evaluation without giving anything for exchange.** We are still using that money. So I guess helped a lot.*

All interviewed had received some of the public or private support services. The given support has been mostly financial for the company use but as much as mentoring. The entrepreneurs see that the supporting instruments could be improved. The main points of interviews.

1. Creating **trust** in the eyes of supporter
2. Building up **credibility**
3. **Peer support**
4. Building up **capability** to make decisions
5. **Failing and learning**



Q5 Public or private support services

Q5 Have you received any public or private support services, for example; funding, mentoring or coaching?

Case 720

We got every stage when developing we got through someone support, someone advising us or people in university could connect us professionals to direct us or navigate us, it was quicker to validate, make sense. Once we started to build program Finland, Helsinki ecosystem is quite small people know each other and recommend you to others done something similar to helps you to reach out experienced and that's what I like about Finland people share they don't close them self they are willing to help. On the public funding side we initially [...] received something [...] from Ely-keskus in the very beginning basically it was just an idea, basic salary subsidy and later one once it look liked that the product works and looks promising, we have received grants and loans from Tekes.

Case Villada

We got some funding. The first from via Laurea it was EU-money few thousand euros to get started after that we were self funded one year and then got public funding 13000 euros [...] We could use it for market research and research if we are going to open new business areas. It was quite hopeful for use. This funding was mostly that, you need to buy some service and use the money for that. I would rather get some money that I can use half of the money for hire somebody to do something

to us it might be more valuable than buying service from outside.

Case Dxtr labs, inc.

Through the university in southern Denmark it used to be this idea house they called incubating student start ups and as part of that they started a project called Pro-program focusing on student start-ups with growth potential. We joined that and it lasted for about a year I think. Which was every month and so a meeting with some of the business angles but not in position weather they want to invest weather they wanted to get together. Gave very good feedback on your pitch, on your value proposition all those things. That helped us a lot shaped the foundation of Dexter, what it is now.

Obviously as we learnt more and more lot of the thing what they told us back then we thought it doesn't make sense at all and now okay, we start to understand it. The mentorship and this pro-program we received the Danish innobooster from innovation fund this small one half million Danish krone to go out there and get another employee to the first production run, prototypes to get us closer to the stage where we start to test it in the market. That was public money.

Case Diamond Inventics

In Germany we don't have an entrepreneurship culture at all. Now we have this boom, when you look really carefully at what happened in Berlin... what are the investors willing to invest in? The first things they invest in are copies. We have scouts in Silicon Valley. They are looking for a nice app, cloud, whatever, new software service. [T]hen they're taking the idea to Berlin, getting a team together and accelerating and trying to boost this. This is not entrepreneurship for me. This is like these casting shows on TV. These are not young guys who want to be an entrepreneur. They are scouts from an investor scene. But the big money is in things like this. People like us, we have our on patents, and our own conduct, and we come out of the universities and we don't have these high-level networks. There's really a gap in the culture. Startups are high-risk investments [and] when you see a good team and a good idea then you have to take a risk. We heard so often: "bring more customers, make more sales". I said, hey, when you have a product and not software, and when you have a product you need to produce it, and if you want to produce it then you need money, not just €20 but a lot of money. They are not willing to take the early risk. Later. When you grow then we will come.



Q5 Public or private support services

Q5 Have you received any public or private support services, for example; funding, mentoring or coaching?

Case Oculyze

Exiting funding for one year called innovation Dortmund, which was for coaching and very useful also contains some coaching [from] IBM. You can't know everything just in the beginning.

Case Isc.Ltd.

Once I understood where I sat **within that eco-system** and that it is actually there for a start, and then understood where I sat within it, **there are supports available**. So, I quickly found the right public body to deal with. **There are different layers and I quickly found the right one after that initial period. I received public support that was super important for us as a company.** It provided some key services in particular, once again that word - mentoring. I highly value mentoring, **I think that while financial aid is important particularly at the very early stages. I think that mentoring is more important. Speaking to someone who actually knows what they're talking about in the areas as you as a business owner have no experience.** So, I would have had no experience in sales marketing, human resources is a big issue the legal requirements around that are quite a mind field. So I would always have been an employee **never having to worry about those areas but then as a business owner suddenly there are legal requirements that**

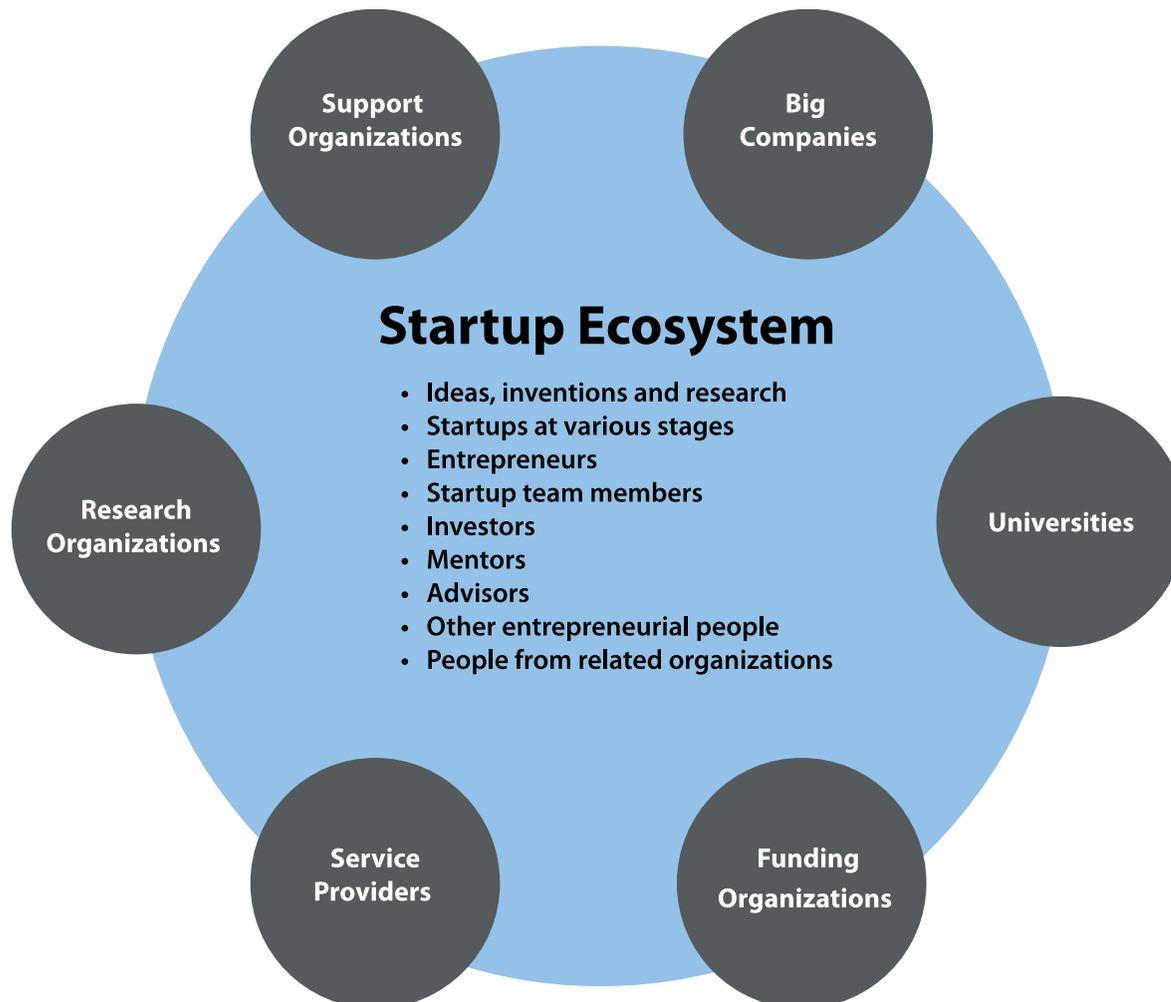
you need to comply with and even understand what they are. You need that one hour conversation with an expert in that area and that's what the Local Enterprise Office is, the public group in Ireland that I dealt with first. They provided the mentoring and financial mentoring as well. It was very important in the early stages.

Summary of Q5

- Increasing the understanding about entrepreneurship creating the mind map of the startup and how to position globally or locally.
- To ensure survival from everyday life when you are concentrating developing your embryo of the business.
- Received support and advice in every stage of forming and startup both from the private and the public side.
- The Ecosystems are rather small in Finland and people are willing to share knowledge.
- There, were certain limitations how to use the received funding. It would be more useful to get half of the money as public and other the half as private money
- Received public funding was in most case for buying the services from subcontractor
- Support program for start-ups with potential growth.
- Arranged the regular meeting with business angels to improve the pitch and value proposition.
- A progressive learning process.
- The entrepreneurial cultures differ between countries. One trend is to apply similar concepts in different countries.
- The risk taking capability in uncertain and unfamiliar business fields
- Embrace the experts and that you don't have to have previous experience of the topic
- Legal requirement

Startups Ecosystem

A startup ecosystem is formed by people, startups in their various stages and various types of organizations in a location (physical and/or virtual), interacting as a system to create new startup companies



Startups Ecosystem activities

Organizations and activities with start-up activities

- Universities
- Advisory & mentoring organizations
- Startup incubators
- Startup accelerators
- Co-working spaces
- Service providers (consulting, accounting, legal, etc.)
- Event organizers
- Start-up competitions
- Investor networks
- Venture capital companies
- Crowdfunding portals
- Other funding providers (loans, grants etc.)
- Start-up blogs & other business media
- Other facilitators

“People from these roles are regarded as linked together Through shared events, activities, locations and interactions.

As startup ecosystems are generally defined by the network

of interactions among people, organizations and their environment, they can come in many types but are usually

better known as startup ecosystems of specific cities or online communities (although some may say that due to social networks, the entire globe is just one big network of

startup ecosystems.”

Q6



Q6 Regarding the company's pre-start up, start-up and growth phases, how would you develop these support services?

See Startup development Phases as reference: www.startupcommons.org

Case Latvia: The next steps after idea workshop | hackathon + possible prototype. Where to meet and continue the well-started process...or are we letting to fade away?

*“There are so many opportunities and ways how to you can generate an idea: the next step after you have this idea [...] You have **met in hackathon or you have meet in a workshop** and you have **found other two people to work together**, you have this idea and even built a prototype. But then the next step for you as a team basically **to have routine of meeting each other for the next week, having a place where to meet each other.** [...] we are going to **exchange email lets do that, but we just exchange emails and nobody actually pays attention that it fades away.** **This next step of building a physical places where people can continue working on their ideas in order to grow until to that point when you are able to go for funding,** because any of these private/ public institutions services they need some sort of creditability.” The market present [...] local economy it is much valuable to have knowledge intensive, high value added venture than Startups, which usually have disruptive of technology.. It is not possible to validate that kind of future technology past “marph* market. [1]*

Communication and energy level differences

“[...]we are in disruptive constructive architecture market we are looking into 10 to 20 years of the future. I have notice me as a Startup entrepreneur having this energy lets do something, innovate it can bring lot of value and opportunities, but construction industries around us is regular business so are afraid of that energy. Me as a young female entrepreneur, I can't really please them diplomatic way of doing business in old way. I just go and kick the doors – “hey, let's do that!”

“The fear of change or dynamics it is quite high. The local ecosystem is losing the value of these kind of progressive very knowledge intensive Startups.”

* (Doing something so freaking impossible its never even been thought of)

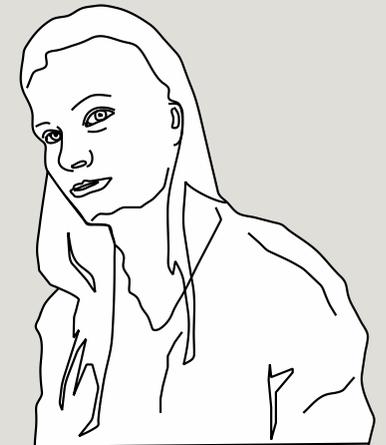
Local ecosystems

Local ecosystems provide support thus there are gaps in the very beginning of the process how to continue after the first trials. The early phase when the idea budding it is the crucial point to get right kind of support. One solution could be to provide free facilities to continue well started collaboration.

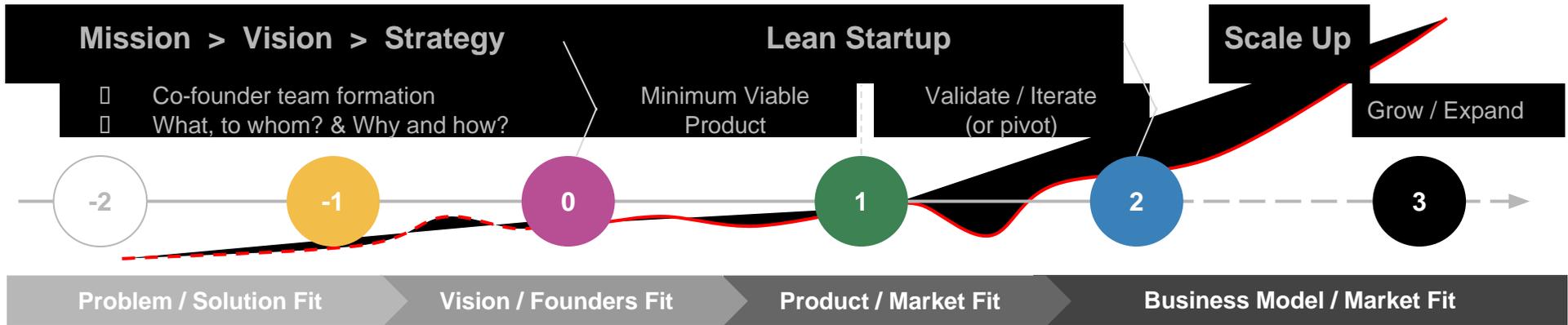
More information: Slush interview - Gunita (short) [2:47-4:52] <https://youtu.be/qoTuzeHS-Nw>

Public or private support services in different phases startup development.

Several opportunities to to ideate, but not that many ways to have continuation



STARTUP DEVELOPMENT PHASES



<p>Ideation</p> <p>Version 2.5 www.startupcommons.org</p>	<p>Concepting</p>	<p>Commitment</p>	<p>Validation</p>	<p>Scaling</p>	<p>This work is licensed under the Creative Commons Attribution-ShareAlike 4.0 International License. To view a copy of this license, visit http://creativecommons.org/licenses/by-sa/4.0/ or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.</p> 
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Q6



Q6 Regarding the company's pre-start up, start-up and growth phases, how would you develop these support services?

Case 720

I think they were okay as they are, I don't have anything to complain about. I can compare to Check Republic from where I come and from where I had my previous company not much of ecosystems when I left from there not much of ecosystem, not public funding and private funding also just emerging. So then you have to choose some, you have to work with idea, which is much certain and yield results much faster. Which argumentatively harms you in the long run how far you can get, the ecosystem works here very well.

Case Villada

At pre-startup you need mentoring, and it is really important that you get feedback. I would give more mentoring for those who are in pre-start up phase. They are not really that far with their idea they have a lot of questions there might be people who give answers. They really need help more than money. Usually when you are on pre-start up phase you have your job or you are student or do something else. Maybe the financial is not that important in that phase but the feedback is. When you are on start-up phase you already founded the company it is quite important that founders could get some support. In our case we started the company we didn't get any money, for first 15 months we couldn't pay salary, because we want to use all the money for

the company. [...] There are a lot of people whose parents and friends can take the money from parents or friends or parents can take a loan. The situation is not equal everybody can't do that. There is a lot of private money available at least I feel that and also public funding, the most important thing is if you apply some public funding you have to report everything. So if there is a possibility, that you can get half of the money half of the private money and half of the public funding if it's fit in the case.

Case Dxtr labs, inc.

I think it has and in part of our journey from the first meeting being told that we don't know nothing about the journey we are about going to. Then we made a lot of mistakes and everybody needs to do those mistakes as long as you can somehow fix it and build on top of it is okay to make mistakes, actually is okay to fail! Fail fast fail, cheap and learn get on with it. Parse that failure know that you learned from it. That has been massively beneficial for us to do network with people that can pose questions what we do, but at the same time can support us get out into the areas, which is really shaky. As an entrepreneur you are day in start up in the morning and wake up for very good email couple hours later the whole shit... whole is falling apart you are about to through everything against the

wall, slamming door, discussing with founders, couple hours later there is another piece of news, that kind of roller-coasters. You got to learn embrace that I think that our CMO Clara said wonderfully at one point: you got to learn embrace that you don't know nothing at all, and move on from that and every time you fail is just _ yes, hopefully I'll learned something.

Case Diamond Inventics

Our investors are private and they're not from Europe. From European investors we always heard: "come back later, you are too early". Our investors are business agents and they really looked us in the face and said: "we believe in this team. We believe that if you fail in this product then you will do some other great things". This was really important to hear that we are not changeable... and they saw that the team was the great thing. We had the same feeling... so this was good! They understood... because some business agents offered us €50,000, €100,000, and thought that they were really generous. We said no thank you. What can a life science biotech startup do with €100,000... because we need to set up a laboratory. Our investors had an understanding, they are not out of this branch, this is really interesting. It's not that they are coming from biotechnology. They are really out of old school industries. For us they really had the right

Q6



Q6 Regarding the company's pre-start up, start-up and growth phases, how would you develop these support services?

mindset at the right time. They really saw that the team was great... they saw the potential, and they are willing to invest in our next steps.

Case Oculyze

We haven't used any of these. So, we might look into accelerator programs, but we have not first time [...] The most valuable resource is the time.

Case Isc.Ltd.

I think mentoring is important at whatever level you're at, because you improve in particular your competencies and in areas in which you were weak but you will never be an accountant, you'll never be a professional sales and marketing person. So, constant mentoring is really important. I think the most successful people I meet have realized that they are not experts in many areas. That they hold their hand up and say look I don't know anything about those areas, I'm not going to try to be an expert but I realize that I'm not an expert in those areas and that those things exist. So, I need to fill the gap with somebody who has professional knowledge. One thing that has come to mind quite a lot over the last year in particular is the single point of knowledge and simplicity. Language gets very complex, particularly public sector language. So, I always have a concept of making

things very simple for the end user, a big button, no options just click here. If there was one single place online tool what I'm talking about really, you know that you can go click on it and get really simple information. That's one thing that I don't think is there, and even the fact that I can't tell you if it is there suggests there's a gap in communication what they are. You need that one hour conversation with an expert in that area and that's what

the Local Enterprise Office is, the public group in Ireland that I dealt with first. They provided the mentoring and financial mentoring as well. It was very important in the early stages.

Summary of Q6

- The startups gain public or private support services in different phases of the startup development.
- Several opportunities to ideate, but not that many ways to have continuation for budding business idea.
- Interviewees are mainly satisfied for available support services.
- The existing startup ecosystem varies by country.
- At the pre-startup phase mentoring is mostly needed.
- Mentoring is important crucial in every phase of startup development.
- A forum for poking questions.
- To receive financing to get started is difficult and time-consuming process
- Reporting everything
- Embraces nothingness and learn from mistakes
- Team, creating trust in the eye of business agents.
- The single point of knowledge and simplicity
- There is a gap in communication
- Language gets very complex, particularly public sector language
- Need for a concept of making things very simple for the end user, a big button, no options just click here.
- Approaching too early

Q7 Improvements for support services

Q7 Was this beneficial and how can these support services be improved?

Case 720

Absolutely, that is the first thing you should do, just go there and be with those people and absorb that mindset in order to understand-how things work...startup is something super opposite, open because people are travelling here and there and they are like all the time on the move, bringing knowledge in and out. You can analyze the world from that perspective, but just having that mindset that your start look on your industry from your perspective and how globally it can grow and what kind of door needs to be open.

Case Villada

Most important is the mentoring. We took part of Spinno Laura based incubator. We took part Spinno while we were still students, first year of our company. We got a lot of support from them and mentoring. They knew because this public funding is changing every year. It can happen that people are asking me now that do you know anything about what we could apply or could be helpful for us? We don't know it is change all the time. You need to have somebody who tell you that in your case it is these criteria for funding, pitch this or apply this you might get it [...] they can help you with funding, mentoring and linking with right people. It is important to get knowledge from the fi.

Case Diamond Inventics

What kind of ecosystem would you build around your product? I just told some guy at Slush that at Berlin it is more software oriented... there is more app development. We don't really have a good network for our life science subject. We met another team from Brandenburg and they are really similar to us. But it is seldom that you find one... we are two life science startups... We are always looking for diversity. We want to be close to the university and want to be close to all the new inventions that are coming out. We want to work together with research projects and development projects. On the other side we need strong partners who are willing to develop with us. We also need mentors who support us to go into the market professionally and do the right things. Helping us when we make mistakes, giving us feedback. There are so many issues. There are patents. Patents are a huge subject for startups like us. You can lose a lot of money if you don't have the right patent lawyer.

Case Oculyze

Exiting program it self, I think is very good, there might be some [...] so me and Katja come from University field did our PhD there at least practical work. We already knew all these process for acquisitions all of this. Since it is formally a project with in university and if you do start up and without this background it would have been roadblock. All this bureaucracy is bit slower than startup needs, having time quote and how to handle administration. So for us it worked fine, but there is something that could be improved probably. This very specific, it is officially a project with in the university we have same rules then everyone else, but you need to be more agile than in most university projects. And if you don't have experience you lose a lot of time by getting know the processes to do everything. This may be different from university to university. So we had a lot of support that is not like one random university for us it worked fine, but that could be improved.

Summary of Q7

- Go and absorb the mind-set look from different perspectives
- Criteria for funding, supervision
- Specialists

Q8

Q8 Have you experienced the pre-incubator, incubator, and accelerator programs? What's your thought on these co-working spaces and their services, and how can we improve them?

"I'm lost in these I don't really believe in incubators" weather you do start up or you don't. I think that being part of co-working space, a hub where designers, creatives meet "jack" people were the best accelerator, speaking with them and already starting to do things. Deepens on readiness and courage of entrepreneurs, because like these incubators and accelerators they kind of embody more safety [...]

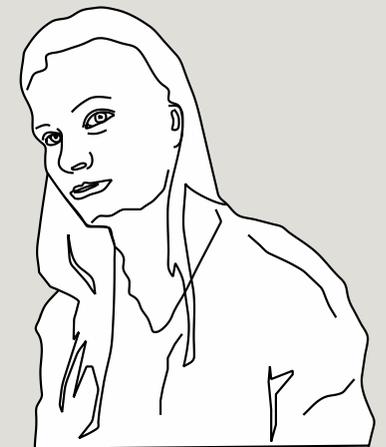
Startups are not about safety at all, it is about the huge risk. You better fail fast!"

*"Not like you take three years incubation then you finally bring that to the customer and there is nothing. These programs for my experience keeps you in that incubation and **don't** really inspire you to go out and don't really bring in your customer. ...rather come to any kind of conference, prepare for that conference very well, here you meeting local companies, local investor and mentors and here you have a incubator for two days. **Target it!** - not just bring whatever round people."*

Pre-incubator, incubator, and accelerator programs

Furthermost of the interviewees have some experienced of the pre-incubator, incubator and accelerator programs or co-working spaces and their services. Innermost of the cases they were happy about given services.

More information: Slush interview - Gunita (short) [2:47-4:52] <https://youtu.be/qoTuzeHS-Nw>



Q8 Improvements for support services

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Case Vividly

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Case 720

We have been involved in few of these as we started in Aalto University. Aalto University had its own co-working space, where we could get free space. I think it was for a year initially we got that. In between we got start-up accelerators and start up

Sauna we did it during the summer, at the first year after, that we did European incubator and accelerators research center's ICT-labs so again we got free office, which was I think very useful, because there was startups, which where at the same stage and did similar things not technologically, but anyway at the same stage. We could help each other, recommend, which were nice. I don't know how selective they are but they are somehow selective there is already someone saying or you feel like that somebody is saying that this looks promising and that helps a lot.

Case Villada

The best example of pre-incubator. We have this entrepreneur society in our school [Laurea] and made a trip to England for two weeks and had the business idea. Talked about our idea with English entrepreneurs and mentors [received] lot of feedback, different angles form Finland. We were two weeks with my team in England and every day and night concentrating only our business. In two weeks we got more feedback and we did more than two months in Finland. Spinno, we got support at the beginning and then, but we then didn't need anything but we still we didn't have any contract we were not they client any more but for the contacts, we could use them afterwards. After

that we got a new owner this was the guy who helped us to get private funding, what we got few months ago. Mostly, for the network. They had some office space if you have client you can use the space, it is helpful in the beginning [even] location was quite wrong because we both are living Helsinki and Spinno incubator was in Espoo and we didn't want to travel every day there, so we basically worked from home, living room and coffee shops. I like the idea of co-working space you are able to be with the people who think the same way as you. They might be on the same steps, as you own company coming. I later stage it is not that important any more as it in pre-startup and startup phase. The location if I would have a co-working space in center quite many now days back in the days there weren't that many.

Furthermost of the interviewees have some experienced of the pre-incubator, incubator and accelerator programs or co-working spaces and their services. Innermost of the cases they were happy about given services.

Q8 Living labs

Q8 Have you experienced the pre-incubator, incubator, and accelerator programs? What's your thought on these co-working spaces and their services, and how can we improve them?

Case Dxtr labs, inc.

Especially at university for us that co-working space where we are at now is lovely small space three start up sitting there actually already running out of space at the university. But access to small things like 3D-printers in descent quality and not just of the self consumer 3D-printer but one that can actually do bit more, seam machines as hardware start up especially access to those things that we can do really fast in high quality close to production quality. We done all the mock-ups all, the paper mock-ups the low quality 3D prints and they thought us a lot and now refining that and we need access to that, which in out campus don't have, so we need to spent money on it and buying it outside and of course things cost money but it must be possible to figure out something incubators at the university, that you can some how to get have access to that benefit us students and make more high fidelity products it will mostly help us and been missing that.

Case Isc.Ltd.

I'm on an accelerator program right now called New Frontiers. It's a country wide effort within Ireland to take highly potential early stage business and accelerate it to the point where it's investor ready. So, I'm currently participating in that program. It's a 6 month program. It's funded, so we get paid to be on the course and it's very heavily mentor driven. I'm right in the middle of that in fact. What is offers us is, within each region in Ireland – we are one particular region. There are 10 businesses involved in this accelerator program. We have co-working spaces, so we have an office. As I said you're funded. There is weekly mentoring, so experts in different areas come in on a weekly basis. Trips like this are also funded to some degree by the course. So, from a networking point of view it touches on a few things you mentioned. I think the core benefit of it is that we are all very diverse, there are some food companies, they are IT companies, there are others and we call have the same problems. It seems to me that the same problem is that we are all experts in our own domain but we are not experts in running businesses and all the skills that are needed

to run a business. We have formal 2 monthly reviews, so for a 6 month program there are 3 review milestones. It's left up to you as a participant to set your milestones but you will be measured against them and that's very positive. We all try to exceed our milestones, we all by nature are quite competitive in terms of getting out as much of the program as we can and the best way to do that is to give a lot and put demands on the course providers. Reaching our milestones isn't an issue, we usually exceed them.

Summary of Q8

- The startups gain public or private support services in different phases of the startup development.
- Several opportunities to ideate, but not that many ways to have continuation for budding business idea.
- Get away from daily routines, change the environment, concentrate
- Pre-incubator loacation

Q9 Improvements for support services

Q9. Would it be useful to test and validate your idea in living labs? Please describe what kind of environment would be useful for you?

Case Vividly

*It depends from many aspects the market person, the network contract, the industry, if I understand correctly you would visit the other startups in the local ecosystems and you sort of work together ... wider up your business... **That's sound good practically it doesn't work...This is way to but it is not developed that kind of partnering, clustering, and start ups get confused... entrepreneurial support your idea and you have the ownership feeling but in the end you get attached to your soul and you don't think about customer perspective usability** of your product of the context in services in general every fights for it own.*

Case 720

*I would be afraid it would be a little bit distraction. We haven't done almost any piloting, just for our self not for customer just to test technology. **You can test your home and it depends what you are building you can tested on your phone.** If you are testing with users who are not committed that they but money on the table they are not just gonna carry... the what ever across their mind once they paid money and they are committed they give you money – I'm interested once they spent the money oh I need to get something out of it feedback if we put it somewhere randomly comments and feed-*

back we received even in our office there are visitor coming unfortunately it is not so relevant, because it is industry specific.

Case Villada

*Yeah for sure, maybe not that much in our case because in this concept we are selling for Finns. **In most case it would be brilliant if you [provide] service or product not for your own country people, you would love to have feedback from them.** It would be really good idea, and now when we started in Swedish pages and service Sweden we have one Swedish girl working for us, but we really don't have... it is quite hard to get feedback from Sweden. **You need to ask friends, somebody know, somebody etc. If you would something to reach the people and get feedback from local people it would be good. Local knowledge available through co-working spaces hubs. From there we can talk about ecosystems and how regional (Uudenmaan liitto) how they can support you? If they work together in different countries they could help each other they could make a channel that if you have something to ask and need the local knowledge and you get that info quite easily maybe some kind of co-working.***

Case Dxtr labs, inc.

*I'm always for testing this the whole idea of these five questions, questioning assumptions. The lowest fidelity products were just wooden blocks escalated from there to small magnetic blocks, which were **still hand made, making more and more complex as we tested more and more. Absolutely getting your product out and test with real user can help you to test a lot and figure out what it is we should be build. That's why we made that pivot in one point,** like that might have been right market to built for now, but couldn't do it _do it later. I think it would be really crate if there is some kind of platform that we could put up here is the product here is the service that we won't to test out different units and countries. Yes we want to participate and testing this maybe get some students involved actually carrying out the testing. Traveling is not becoming an issue even tough we are a small region and can fly most places in couple of ours it is expensive in some extend, were you want to spent you money things that is driving value. **Flying back and forth to e.g. Helsinki most optimum use of the money.** If I can put up a job, if I can put up something that needs just tested? People can say certainly a ground source thing I wanna back this test and its easily executed in the way that we could get high-quality feed back pretty fast that would be amazing. This*

Q9 Improvements for support services

a project for five schools this an this age group, put up there and couple of days after you have an organisation in Norway, Finland, Estonia, Denmark in Germany maybe, saying yeah we have access in these and these schools and we can do some projects with in two months.

What really made different for us been talking with passion what it is we wanna you do being engineer and technical it have been hard for us to focus less on really cool technology that is actually inside this we try to do and focus more why we are doing it. That a mission driven part wanna help the world an embrace the paly all the messaging is toward ... who every we talk to in the conversation pretty fast feel that passion springing over and that's helping us play on network dynamics and that's how all our investments grown talking passionately to people who then share our passion with their network. Then all of the sudden one or two degrees separation you have Alzheimer individual process... I wanna be part of this, which is the best way fund raise, you are not cold calling 100 venture capital or angels in first place you should not be talking to venture capital that would be waste of both time. Through hot intros from somebody they trust given to them with passion that really make easier to sign that check.

Q9. Would it be useful to test and validate your idea in living labs? Please describe what kind of environment would be useful for you?

Case Isc.Ltd.

You bet. Over the last couple of days this has become very clear to me. That one service, programs like the IEER program could provide through the network that we are developing is the product market fit concept can be facilitated by the program. For example, as a product developer my network would be very centric around Ireland but I'm thinking in the last few days that I would really like some Finnish, Danish and Italian people to get a hold of my product because what it would do is validate that my product essentially works across the regions. It would get that different mindset, and there's a very different mindset among the regions. In real terms what that means when and if I go to investors I can show them the results from it because one of the first questions I notice when you talk to investors is; what is the product market fit here? Have you validated that your product is an international product? So yeah, I think there's something there you know? I think IEER project has identified a number of regions. I'm definitely going to ask those people that are involved to look at our product. Also, around localization there's a potential to have your product validated from a localization point of view not just in English. So, my product can be adapted to Finnish for example, I'd like someone to check that out. I don't have those skills and I don't want to pay for them but maybe I can do a favor for somebody else.

Case Diamond Inventics

Sure, yes. We are looking for the right moment. At the first level we are looking for customers who are willing to trust in such a new innovation. Now we are taking a laboratory process out of the laboratory. People think: "what are you doing? Is this really as good as the laboratory?" We have to say that there are advantages and disadvantages. We have advantages in comparison to normal laboratory tests too. But, and this is really important, we have to prove this. Now we are at this stage... our tests are going on. We have to put our numbers on the table and show that. We know it from our testing site but we are looking for partners who can accept that you fail, for example, one or two times, and that you have to rework some things, but are willing to develop with you. We are looking for test partners at the moment, and test customers.

Case Oculyze

It is very useful for most products for us it might, because we have very specific, customer. If it would be possible it would be great, but I think it would be hard to get couple of breweries from different nationalities for testing. So, we did piloting ourselves we went very early with first prototypes to breweries different size and gave them device and they have been using hardware and software sides and we been iterating on this all the time. Without it the product wouldn't be worthiest. This is approach is definitely right way to go doing as a formalized program might have been difficult, if you are doing marketing consumers I think it is great.

Development phases

Pre
start
up

*"At pre-startup you need **mentoring**, and it is really **important that you get feedback**. I would give more mentoring for those who are in pre-start up phase. They are not really that far with they idea **they have lot of questions there might be people who give answers**. They really need help more than money [...] on pre-start up phase you have your job or you are student or do something else. Maybe the financials is not that important in that phase but the feedback is."*[3]

Start
up

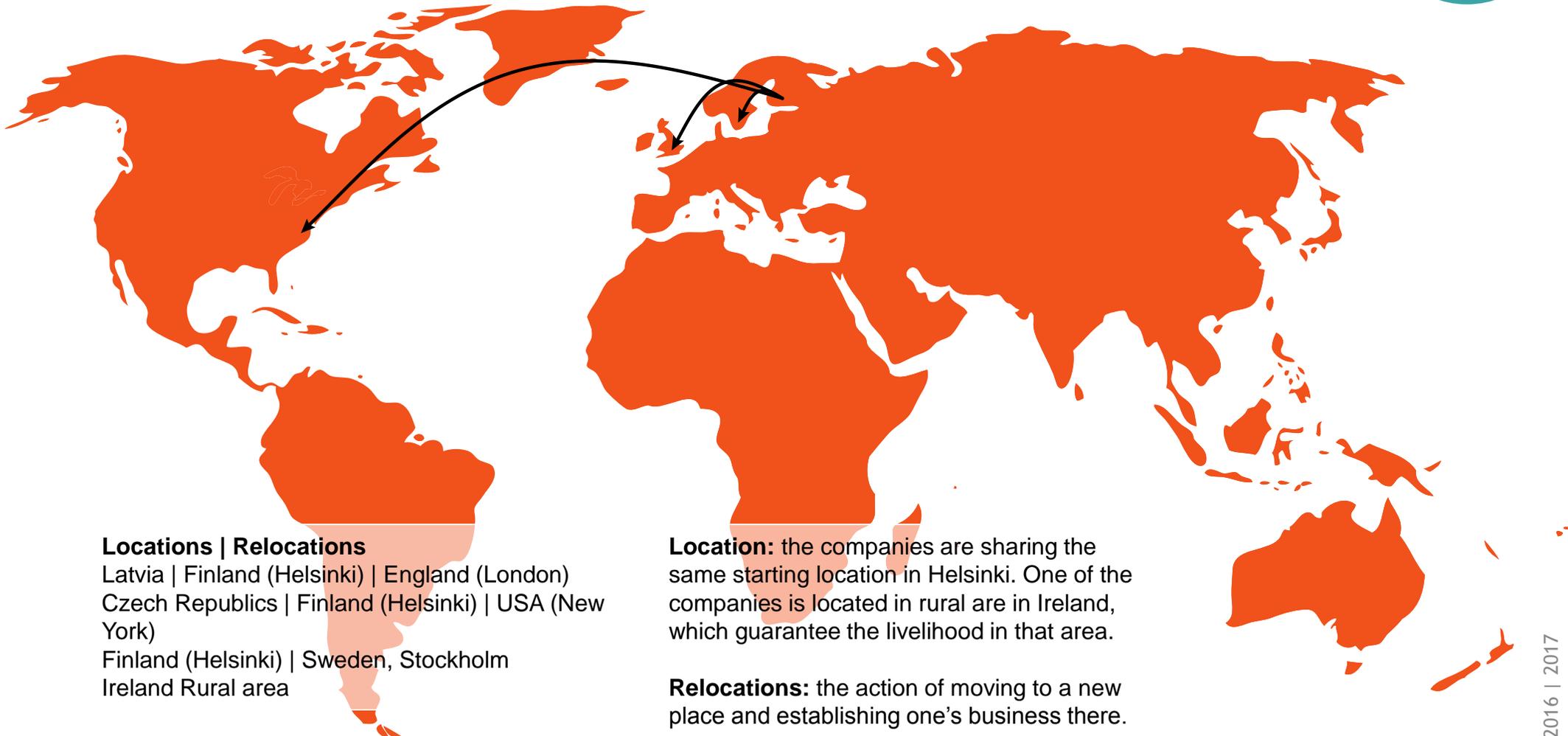
*" When you are on start-up phase you already founded the company it is **quite important** that founders could **get some support**. That would be important to have some kind of funding in some point. There are lot of people whose parents and friends can take the money from parents or friends or parents can take loan. The situation is not equal everybody can't do that . There is **lot of private money available at least I feel that and** also public funding, the most important thing is if you apply some public funding you have to report everything. So if there is possibility, that you can get half of the money half of the private money and half of the public funding if it's fit in the case. They **sector there must be something good because then public sector would also like to give money or loan**. We think that when you get lot of money from public sector it is lot of paper work at least you need run these financial things " [2]*

Growth

*[...] mentoring is important at whatever level you're at, because you **improve in particular your competencies and in areas in which you were weak but you will never be an accountant**, you'll never be a professional sales and marketing person. So, **constant mentoring is really important**. I think the most successful people I meet have realized that they are not experts in many areas. That they hold their hand up and say look I don't know anything about those areas, I'm not going to try to be an expert but I realize that I'm not an expert in those areas and that those things exist. So, **I need to fill the gap with somebody who has professional knowledge**. One thing that has come to mind quite a lot over the last year **in particular is the single point of knowledge and simplicity**. Language gets very complex, particularly public sector language. So, I always have a concept of making things very simple for the end user, a big button, **no options just click here**. If there was one single place online tool what I'm talking about really, you know that you can go click on it and get really simple information. **That's one thing that I don't think is there, and even the fact that I can't tell you if it is there suggests there's a gap in communication**. [5]*

Location | Relocations

“For the startups the location I’ll think that is not meaningful at all ...”



Locations | Relocations

Latvia | Finland (Helsinki) | England (London)
Czech Republics | Finland (Helsinki) | USA (New York)
Finland (Helsinki) | Sweden, Stockholm
Ireland Rural area

Location: the companies are sharing the same starting location in Helsinki. One of the companies is located in rural area in Ireland, which guarantee the livelihood in that area.

Relocations: the action of moving to a new place and establishing one’s business there.

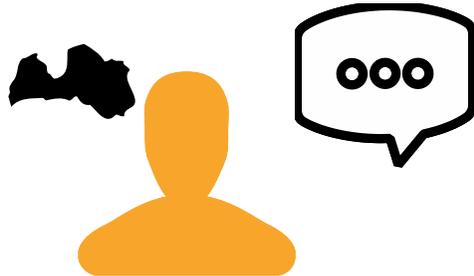
Q10

Do you have any advice or tips for other start-ups?

Vividly

www.vividlyapp.com

Virtual reality as a new media for architects to be able to bring their visions in to the people and also to follow team member.



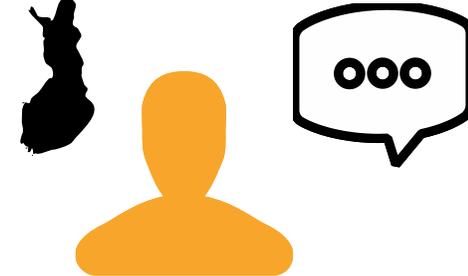
Q10

"Just DO it! Just starting do it, don't lose the courage especially for ladies, maybe even risk more, but have your matrix for yourself. For example you are just starting, but yourself after three month I'm going to evaluate weather am I able to do that three months of investments request of the minimum salary to cover the living costs."

Villada

www.villada.fi

Travel industry. Renting out villas in mostly in Europe



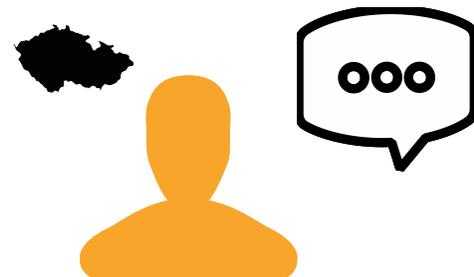
Q10

"Basically, when you do what you love and you are on the right way People who are in pre-start up phase should come and ask more! It is easy to give help when they ask and Finns should be more open there are people who are willing to help if you jus ask! I made that mistake, that I was too shy to ask help, then when I realized that there are lot of entrepreneurs who will help me and everything went quite well."

720

www.vividlyapp.com

Improving indoor quality. 720° is a cloud based analytics solution for real-time collection and evaluation of indoor environmental quality data such as: air quality, thermal comfort and noise pollution.



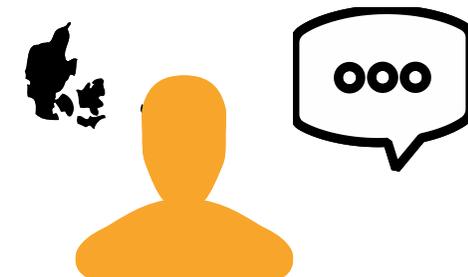
Q10

"Reach out for those who have been there already! Ask even more questions than you are asking, but make sure that you are not taking anything that affect everything is just an advice. I think that was for us really important that we asked lot of questions. It becomes overwhelming, but you need to choose, what applies and what not. Even the start-ups have one adviser he doesn't have all the answers so you need big network of people who you can connect every one everything to reach out and ask."

Dexter

www.playdxtr.com

Through playDXTR, we are eager to better understand what play can tell us about how a child is developing and how we can maximize the learning potential



Q10

"Get out of the office and put your things in front of customers and the customers, not your friends. Friends and families are good for giving money but they are not good in giving you advice. Put your product out there get real number that you can actually make decision on. AB testing in different price points on your web site, AB-test different website with different branding, which convert best, what price point they are willing to put up their credit card number for, that's message that you can use for something."

Q10

Do you have any advice or tips for other start-ups?

Expert Software Test

www.expertsoftwaretest.ie

Image recognition software in the cloud automates microscopic analysis.



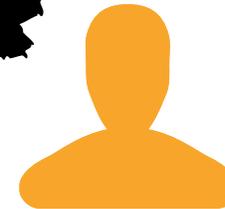
Q10

It's simple for me – once again back to the simple message. If you cannot generate revenue you do not have a business. It might look good, it might have potential in the future but if you can't generate revenue and make a profit you can't invest that money back into the business. So, generate revenue, validate your market, make a profit and then things would work out for you but do it early. Find out if you can generate revenue early. If you can't you need to tweek or change and I think being able to change is valuable. everything went quite well. "

Diamond Inventics

www.diamondinventics.de

Diamond inventics is offering for the first time in history a rapid test system that provides accurate in the field/on-site results in as little as 30 minutes.



Q10

"Don't give up! Be really careful with who you are building your team with. If you can't fight with them and discuss with them, and if you are not able to go for a beer with them after a fight then there is something wrong! Again, don't give up! Believe in your idea. But, listen. Please don't stop listening. Go to meetings. Network, like crazy. Spread out your idea. Be early to spread out your idea...you have to ask here, let me pitch my idea and tell me what you think about it. From your Grandpa to your professor, to the company round the corner who could be your next customer."

Oculyze

www.oculyze.de/en/

Image recognition software in the cloud automates microscopic analysis.



Q10

At first try not participate everything, which is offered. Might sound a bit cynical, but like many accelerator programs they are all looking people to participate. Take what is useful to you, but do not try to take everything, that looks it might be useful, don't adapt your self to the program only pick the program that fit for you. Be very defensive with your time. Valuable resources try not to give away for free, because time is most important thing that you will need. This is my main advice.

Summary

A summary of the advice for other startups





iEER
Interreg Europe



European Union
European Regional
Development Fund




European Entrepreneurial Region



LAUREA

Location | Relocations

“For the startups the location I’ll think that is not meaningful at all ...”



Location | Relocations

Latvia | Finland (Helsinki) | England (London)

Ireland Rural area

Czech Republics | Finland (Helsinki) | USA (New York)

Finland (Helsinki) | Sweden, Stockholm