

Innova Foster Action plan for Kuyavian-Pomeranian Region, Poland

I. General information

Project: Fostering startup & innovation ecosystems in Europe

Partner organisation: Torun Regional Development Agency

Other partner organisations involved (if relevant): -

Country: Poland

NUTS2 region: kujawsko-pomorskie

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II. Policy context

The Action Plan aims to impact Torun Regional Development Agency Strategy

INNOVA FOSTER is the INTERREG Europe co-financed project bringing together 7 European regions to improve the public policies and programmes supporting the growth potential of startups to act as regional innovation providers. INNOVA FOSTER project includes interregional study visits, local stakeholder groups engagement and local startup ecosystem diagnosis. So far project provided a lot of inspiration to change the

policy of support for startups in the region. In order to create Action Plan we have also worked on an analysis of Good practices and its transferability to the region conditions. As a result, Action Plan was formulated.

In the Kuyavian-Pomeranian region the project is led by Torun Regional Development Agency (TRDA). TRDA is one of the leading business environment institutions in the voivodeship, established 20 years ago to pursue initiatives for entrepreneurship and innovativeness development in the region. The agency is the body responsible for the implementation of policy instrument: Torun Regional Development Agency Strategy, to which the project is addressed. One specific area in the TRDA strategy involves providing infrastructure, capital and advisory support for new enterprises at the creation and the initial stage of development. Even the greatest, well-thought ideas need the proper environment to grow and develop, which is why in 2014 the incubator of modern technologies Exea Smart Space has been established in the Torun Technology Park, being a part of TRDA. Because of the incubator creation, regional startup ecosystem started to form and new ventures gained a favourable environment for development.

The Kuyavian-Pomeranian region covers the area of 18,000 km² in central Poland and Europe, what guarantees convenient access to Polish and European markets or suppliers. It has about 2 million inhabitants, i.e. 5.4% of the country's population. The main two cities: Torun and Bydgoszcz are attractive places to live and do business. The region strength is in modern food, electromechanical and paper industries as well as electrical engineering and plastics. The ITC sector is also of increasing importance.

According to SWOT analysis, conducted for purposes of the project by the stakeholders, and a Peer Review conducted during the partner study visit, in the region (1) there is a dynamically growing ecosystem with infrastructure/space for startups, (2) there are many events organised for, and initiatives dedicated to the startup community, (3) there is a strong academic centre with the big universities (Nicolaus Copernicus University in Torun, University of Technology and Life Sciences in Bydgoszcz, Kazimierz Wielki University in Bydgoszcz), (4) grants are available from EU funds to support startups. All this activities and circumstances are to be a good starting point for further development of a friendly and stimulating local startup ecosystem.

The most important observations of the current situation are as follows:

- despite the good scientific potential, universities carry out research projects financed mainly from subsidy sources or grants, there is still a low percentage of projects with a commercial goal and private source of funding;
- activities dedicated to startup ecosystem, being an attempt to build support for entrepreneurs undertaking commercialization of innovative projects, are fragmentary;
- a major obstacle to the development of the startups ecosystem in the region is the lack of an acceleration programme, considered to be the first step for creation of young companies (innovators) in the region. Consequently there is a lack of mentoring ecosystem for the development of startups and lack of investors financing high-risk projects.

TRDA, as one of the leading business environment institutions, feels rightful to act as a pioneer and animator in supporting the startups ecosystem. The developed Action Plan relates to activities, that will be implemented by the TRDA in cooperation with local Stakeholders, as actions that will animate the development of the ecosystem. The actions will be supported by the Torun Regional Development Agency Strategy. One of main priorities of TRDA Strategy is *Establishing new enterprises*. Actions presented below will contribute to improving the quality of already carried out activities and foster undertaking new activities within this priority.

ACTION 1 INITIATIVES PROMOTING ENTREPRENEURSHIP AND TECHNOLOGY

1. The background

The local startup ecosystem diagnosis carried out in the project shows that the general attitude towards risk and failure in the region, although improving, does not favour entrepreneurship in contrary to Cork ecosystem, where there is strong pro-business environment and can-do attitude towards all aspects of business. From the Kuyavian-Pomeranian region perspective, Cork is an excellent example of dynamically growing startup ecosystem that has developed and operates very well in a much smaller region. Cork city and county region promote Cork with a specific focus on driving the economic reputation and perception of Cork as the optimal location in Ireland for innovation and entrepreneurship. Often mentioned motivating factors for starting a business are: an increase in income and a desire for independence. These may be an incentive to take the risk and start own business. Promotion of startups successfully operating in the region and sharing their achievements is beneficial in many ways: it can become an inspiration for undertaking business activity and also it promotes the region as a place friendly for starting business of similar needs and features. It can also help to reduce one of the problems identified in the diagnosis, which is the outflow of young people from the region to more competitive centres (brain drain). A positive atmosphere of innovation, investment and a spirit of cooperation can convince young, ambitious and talented people to stay in the region. TRDA is always focused on supporting and developing the entrepreneurial reputation of the region, hence it should follow the example of Cork, when it comes to activities promoting entrepreneurship in Cork. This initiative is part of the TRDA Strategy goals.

Following the examples of activities undertaken by the Irish initiative Cork Innovates Partnership we will promote Torun as a location which offers entrepreneurs globally and locally the best environment to start, grow and stay their business successfully. We want to increase the level of awareness of our activities in enterprise creation in Torun by sharing projects, success stories, opportunities and other developments associated with innovation and entrepreneurship in the SME sector.

Another example of promoting startups, possible to adopt in the region, is the wide range of competitions for startups, organised in project's partners regions. One of them is the "IBYE Best Start-Up Award" organised in Ireland. The "Best Start Up Business award", one of its categories, is dedicated to entrepreneurs who have just started the business. The condition for applying for this category is to have an income from the sale of a product or service provided by the company. Good practice, the region may also use as an inspiration, is the national competition "Start-up of the year" associated with the largest and leading conference on entrepreneurship, start-ups and innovation in the Alps-Adriatic

region PODIM. Despite the large scale of impact of the PODIM conferences and the IBYE Best Start-Up Award, the Kuyavian-Pomeranian Region may use the organisational aspects of these events. The Leaders of Innovation in Pomerania and Kuyavia (LIPiK) competition organised in the Kuyavian-Pomeranian region, and the announcement of its results during the conference Regional Innovation Forum (regional public event) is the activity aimed at promotion of innovative entrepreneurs in the SME sector. This initiative should not only be repeated systematically, but the "Startup" category should be introduced to the competition. It will result in spreading the definition of a startup and promoting successes of local startups among citizens and regional authorities. Main goal of the competition should be, among others, creating a positive entrepreneurial climate in the region and promoting regional successful startups. Competition's suggested procedure should start with LIPiK announcement, followed by startups submitting their applications and a jury selecting the most promising entrants. Finally the winner will be announced at Regional Innovation Forum. Awards and prizes may be of different types, for example financial and nonfinancial support, individualised coaching, business training or mentoring.

The startup ecosystem is a complex phenomenon requiring a number of soft activities involving the local community. In order to strengthen the ecosystem of startups in the region, it is necessary to provide cyclical activities that gather the local community, creating the opportunity for contact and exchange of information. The goal of all these activities is to promote the regional SME ecosystem, integrate local community and create real element of ecosystem which constantly operates and "something is always happening" in it.

Smart Space incubator already existing at TRDA has initiated the development of activities aimed at startups. The space of incubator itself, as a place of running businesses, is insufficient for the development of startups. The atmosphere prevailing in this environment is the matter which should be taken care of. Thanks to the implementation of initiatives promoting entrepreneurship and technologies under this action, the ecosystem for the development of innovative and valuable startups in the region will be strengthened. The offer of modern infrastructure will be complemented with the creation and development of the startup community. Activities aimed at creating such community are: carrying out additional events, competitions dedicated to startup ecosystem and creating contact platform, along with granting access to current information via social media, will contribute to creating such community.

2. Actions

- a) Identification and systematic monitoring of local technology startups with potential for scaling-up their businesses

Startups identification and monitoring will take place during systematically organised events on new technologies, smaller events during which we meet entrepreneurs with startups and by our regional ambassador of the Startup Poland Foundation which is the largest Polish organisation

that represents the Polish startup community.

KPI – list of local startup, monitored quarterly

b) Startup ecosystem promotion in social media

- promotion of local startups
- sharing the success stories
- spreading information about meetings and events dedicated to startups in the region
- spreading the information about meetings and events dedicated to startups in the region

To achieve this goal, social media of the Torun Technology Park will be used, which at the same time may serve as a tool to gathering to the local startup community.

KPI – up to 10 posts monthly

c) Introducing „startup” category to the *Leaders of Innovation in Pomerania and Kuyavia* competition organised by TRDA

KPI – 2 awarded startups

d) Organisation of cyclical events that will meet the needs of entrepreneurs at various stages of development, during which experienced entrepreneurs will share their successes and failures in establishing and developing startups, while sharing their business know-how

KPI – 10 events during 2 years

3. Players involved

Torun Regional Development Agency – Torun Technology Park

Exea Smart Space

Interdisciplinary Centre of Modern Technologies - Nicolaus Copernicus University

Kuyavian-Pomeranian Voivodeship

4. Timeframe

January 2019 - December 2020: Identification and systematic monitoring of local startups

January 2019 - December 2020: Startup ecosystem promotion in social media

May 2019 - November 2019: Introducing „startup” category to the *Leaders of Innovation in Pomerania and Kuyavia*

January 2019 - December 2020: Organisation of cyclical events

5. Costs

13K EUR

6. Funding sources

- 1) TRDA own resources
- 2) External partners (e.g. midcaps)
- 3) Regional authority
- 4) Interreg Baltic Sea Region

ACTION 2 CREATION AND ACTIVATION THE ACCELERATION PROGRAMME

1. The background

One of the most important elements of startup ecosystems are acceleration programmes. In larger cities with an extensive startup community, several such programmes are organised at the same time. An example of such ecosystem can be found in Madrid, where entrepreneurs can rely on the support of a growing number of incubators and accelerators designed to bring their ideas to life. In Spain's capital city, incubators and accelerators play a particularly important role in the growth of the startup ecosystem. Telefónica's accelerator program Wayra has a strong presence, in addition to others, such as Tetuan Valley, Seedrocket and IE Business School's Venture Labs - not to mention Madrid also hosts South Summit, one of Europe's leading startup conferences.

An interesting example of the acceleration programme is the SPRINT Accelerator Programme launched at Gateway UCC (University College Cork). The programme is designed to support early stage startups, entrepreneurs and UCC-based researchers. It is aimed at academic and research staff. The chosen participants are developing services for a number of industries and issues. Some of elements of this programme could be used by TRDA. For example each participating company will be assigned with a dedicated mentors. Among them there will be mentors representing successful businesses. Participating startups will be trained in business development trough modules covering a wide range of topics.

The Kuyavian-Pomeranian region has a network of incubators and acceleration programmes that provide support to entrepreneurs, however the acceleration programmes need to be improved, especially in regard to the involvement of private funding. In Kuyavian-Pomeranian voivodeship in 2015-2017, two acceleration programmes for startups were established: one managed by Fundingbox and the other by Exea Smart Space. The acceleration programmes' aim was to help the businesses with set idea and at early stage of development. Unfortunately second phase of acceleration combined with the possible investments in startups, did not take place, because the ideas submitted for the progamme were on too early stage of market and technological readiness.

Taking into account the current state of startup ecosystem development in the region, an acceleration programme will be launched for startups with ideas for new innovative ICT products and services. The aim of the programme is to work with startups for several months, in order to help them in refining their technology idea, building a market strategy, and establishing relationships with the industry partners. Series of workshops and mentoring – basis of the programme – will help startups gain practical knowledge and reall tools for further development. The organiser of the programme, or at least its first edition, will be TRDA, which has some experience in acceleration processes. Partners of the programme may be innovation centers and institutions supporting the development of enterprises' innovativeness. Substantial partners may be industry entrepreneurs looking for innovative solutions and new technologies.

A positive, but unitary example of the involvement of a large enterprise in the acceleration programme is NEUCA S.A. - one of the largest drug distributors in Poland - operating in accordance with the CVC (Corporate Venture Capital) principle and actively seeking startups that could develop within the organisational culture of the corporation.

The Cork ecosystem proves the importance of large enterprises role in the development of startup ecosystems. Without the presence of employers such as EMC, Pepsico, Pfizer, GlaxoSmithKline, Eli Lilly, Amazon and Apple Inc., the ecosystem in this Irish region wouldn't be able to develop so quickly. These companies are involved in the activities of accelerators and are both creators and recipients of innovations. Following this example, partners from mature companies successfully operating on the market will be involved in the TRDA acceleration programme as well.

TRDA observations show, that startup owners often encounter problems and challenges that are not necessarily possible to solve by traditional forms of support for companies. For a startup company with unique and innovative technology, but without market experience and business relationships, expansion is often very difficult or even impossible. Often the business or sector experience of mentors (people or institutions) is required, who can share their knowledge of, for example, the industry or the way of managing a specific form of enterprise that is a startup, at various stages of the company's development.

When analysing the example of a startup ecosystem in Manchester, it is necessary indicate the role of the Business Growth Hub, which implements the GC Mentoring Program. Programme brings together 180 active volunteer mentors taking care of the development of business ventures. This programme provides an opportunity for businesses to access direct experience free of charge via experienced mentors that are suited to the mentees needs and preferences.

Based on this partner's experiences, the list of experienced mentors in Kuyavian-Pomeranian region will be created. It is going to be used during organisation of acceleration programme and Open Beta-type meetings. The role of TRDA will be to attract and provide an impulse to organise a network of mentors from representatives of various regional institutions, as well as from outside of the region and outside of existing startups. TRDA will also adjust the way of mentoring process. Establishing contacts with mentors and successful cooperation can be a start to a mentoring programme for startups in the region, similar to the GC Mentoring Program.

Persons chosen to the role of mentors should be able to show both knowledge and experience in managing the business, specifically in sectors of: project management, lean startup, customer development, DIY media toolkit, design thinking, and finance. Considering potential of Kuyavian and Pomeranian region, experts from Idea Spin, Interdisciplinary Centre of Modern Technologies Nicolaus Copernicus University, would be a good example and candidates for the role of industry and academic mentors. Another proposition of mentors would be existing recognizable technological entrepreneurs, startups incubators, investors and attorneys.

Over the past several years, interest in venture capital funds has increased significantly in most European countries. When analysing the experience of European countries, particular attention was paid to the importance of this form of financing for the development of young innovative enterprises that commercialize

new technologies. The formula of VC funds is particularly useful for supporting innovative projects, which are of a high risk, therefore they can't be supported with traditional bank financing.

At the moment, there are only a few investment funds in the Kuyavian-Pomeranian region interested in investing in startups. In addition, they are co-financed from public funds. It should be borne in mind that this capital is a key factor in the development of highly innovative enterprises, which are characterized by a significant capital intensity and a high level of risk. At the same time, there is little interest in investing in the startups at early stages of their development.

The good example of establishing relationships and attracting investors is event run by GC Business Growth Hub - VentureFest North West. During this event businesses can find funding and support to suit their needs. It brings together innovators, entrepreneurs and investors to facilitate business connections, growth opportunities and new ideas. The role of TRDA will be establishing relations and attracting investors to the region by presenting them creative business ideas, developed during planned acceleration programme.

Starting the Acceleration Programme will have a direct impact on the priority of TRDA Strategy, which is *Establishing new enterprises*. Identifying the most innovative ideas, verifying their potential and developing them will be an impulse and the right way of establishing new initiatives and startups.

2. Actions

1. Preparatory phase for acceleration programme
 - a) Identification of potential partners for the acceleration programme: mentors, representatives of VC and Seed funds and others
KPI – 30 potential partners for the acceleration programme
 - b) Linking up with potential partners and establishing cooperation rules
KPI – acceleration programme's 8 partners
 - c) Creating the acceleration programme's website
KPI – 1 acceleration programme's website
 - d) Creating the recruitment form
KPI – 1 acceleration programme's recruitment form
 - e) Promotional activities
KPI – 1 acceleration programme's promotion campaign
2. Creation and activation the acceleration programme
 - a) Recruitment
 - recruiting ideas/startups, each company completes form which provides information about their company characteristic and about the new initiative,
 - verifications and choosing ideas for the PitchContest
KPI – 20 ideas/startups
 - b) Pitch Contest – one day event, selection of innovation-oriented and technology-driven participants, classified as having a product/service with a high-growth potential, for the next step of the

programme

KPI – 10 ideas/startups,

- c) Bootcamp – event during which trainings on building a business model, marketing and finance for previously selected startups will take place; during the event, participants will consolidate the knowledge through numerous practical tasks and acquire skills of independent problem solving. This stage will end up with formulating an action plans for all participants,

KPI – 3 days of professional workshops, 4 applicants

- d) Mentoring – a development path designed for each participant, the recruitment form and recommendations developed during bootcamp will be the criterion for choosing a mentor, then there will be a mentor matching where the profiles of the mentors will be looked at to ensure an appropriate match is made on both sides; later there will be 3 month mentoring during which the companies receive the support as personal development through the use of a mentor on a particular topic/challenge that they are facing, working on the most difficult areas for a given startup, will be checked to see how the relationship is going after the first meeting and then at the end of the mentoring, the company also will have to report proving progress they made during mentoring; acceleration programme's participants and mentors will have the opportunity to network and exchange experience during the programme

KPI – 40 hours of mentoring

- e) DemoDay – presentation to investors, it will be closed event in which the best solutions and ideas will participate, the meeting will be accompanied by the presence of investment funds, partners and mentors

KPI – 1 day event

Individual phases of the acceleration programme will aim to identify innovative ideas, verify their innovation and market potential. At each stage of acceleration, mentors will be involved in order to verify the feasibility of ideas, evaluate the entrepreneurial predispositions of participants, work on perfecting the business model of the incubated idea and help in establishing business contacts and reaching potential clients.

3. Players involved

Torun Regional Development Agency

Idea Spin Sp. z o.o.

Interdisciplinary Centre of Modern Technologies Nicolaus Copernicus University

Exea Smart Space

Specialized portals, np. Mamstartup – portal dedicated to online startups and innovative enterprises from the new technologies industry, Antyweb, Spiderweb – blogs dedicated to technology

Organisations devoted to innovations and startups, including: Startup Poland Foundation - foundation

for startups in Poland, incubators in the region (Exea Smart Space, Academic Incubators of Entrepreneurship at regional universities i.e.: Nicolaus Copernicus University in Torun, University of Technology and Life Sciences in Bydgoszcz, Kazimierz Wielki University in Bydgoszcz); Bydgoszcz Industrial and Technological Park; Business Support Centre in Torun, Kuyavian-Pomeranian Agency for Innovation.

Representatives of high-risk funds - VC funds and seed funds

Representatives of companies at mature stage of development, np. BlaBlaCar, Ulala Chef

4. Timeframe

January 2019 – October 2019

5. Costs

15K EUR

6. Funding sources

COSME

TRDA own sources

The action plan will be implemented and monitored by the Torun Regional Development Agency

Date: 28.03.2019

K I E R O W N I K

Signature: _____

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