European Commission

European eic INNOVATION Council BETA

EUROPEAN INNOVATION ECOSYSTEMS

stakeholder consultation

„A robust innovation ecosystem for the future of Europe"

Research and Innovation

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Jean-David Malo
Director
EIC Task Force

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„A robust innovation ecosystem for the future of Europe"

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EIC Task Force

Research and Innovation

Europe is making big progress in innovation/startups

CAPITAL

CAPITAL IS IMPORTANT, BUT IT IS **NOT THE DECISIVE FACTOR**

€100M+ are growing but is not the normal yet

Capital invested ($B) and number of deals by round size

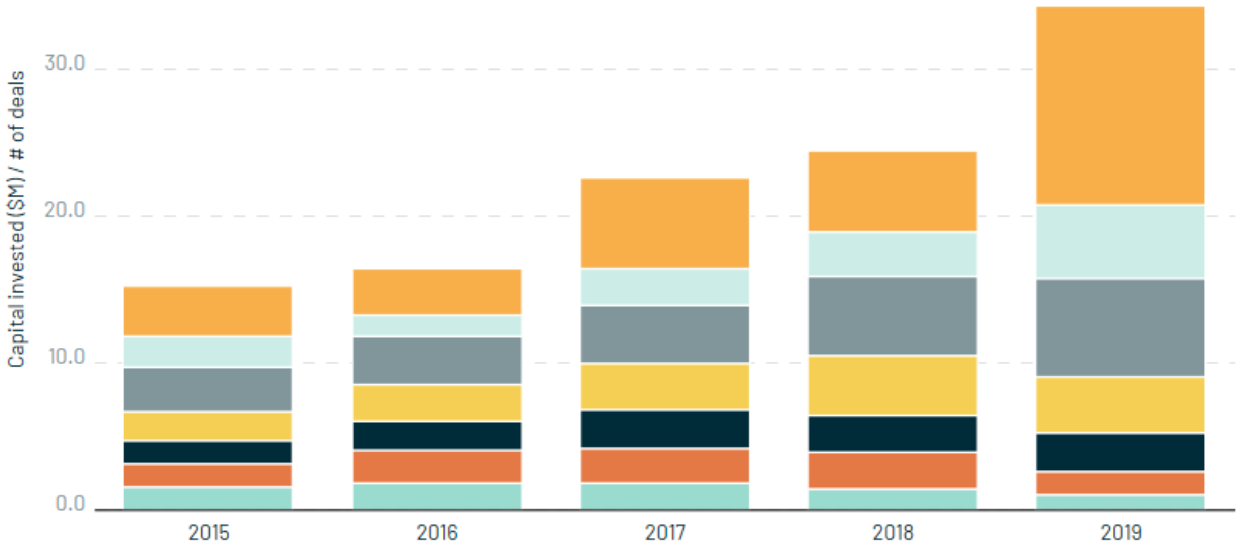
LEGEND

- $0M-$2M
- $2M-$5M
- $5M-$10M
- $10M-$20M
- $20M-$50M
- $50M-$100M
- $100M+

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

DATASET: Capital invested ($B)



SOURCE: dealroom.co

DOWNLOAD

Although most of the investments are in seed-series A

Capital invested ($B) and number of deals by round size

LEGEND

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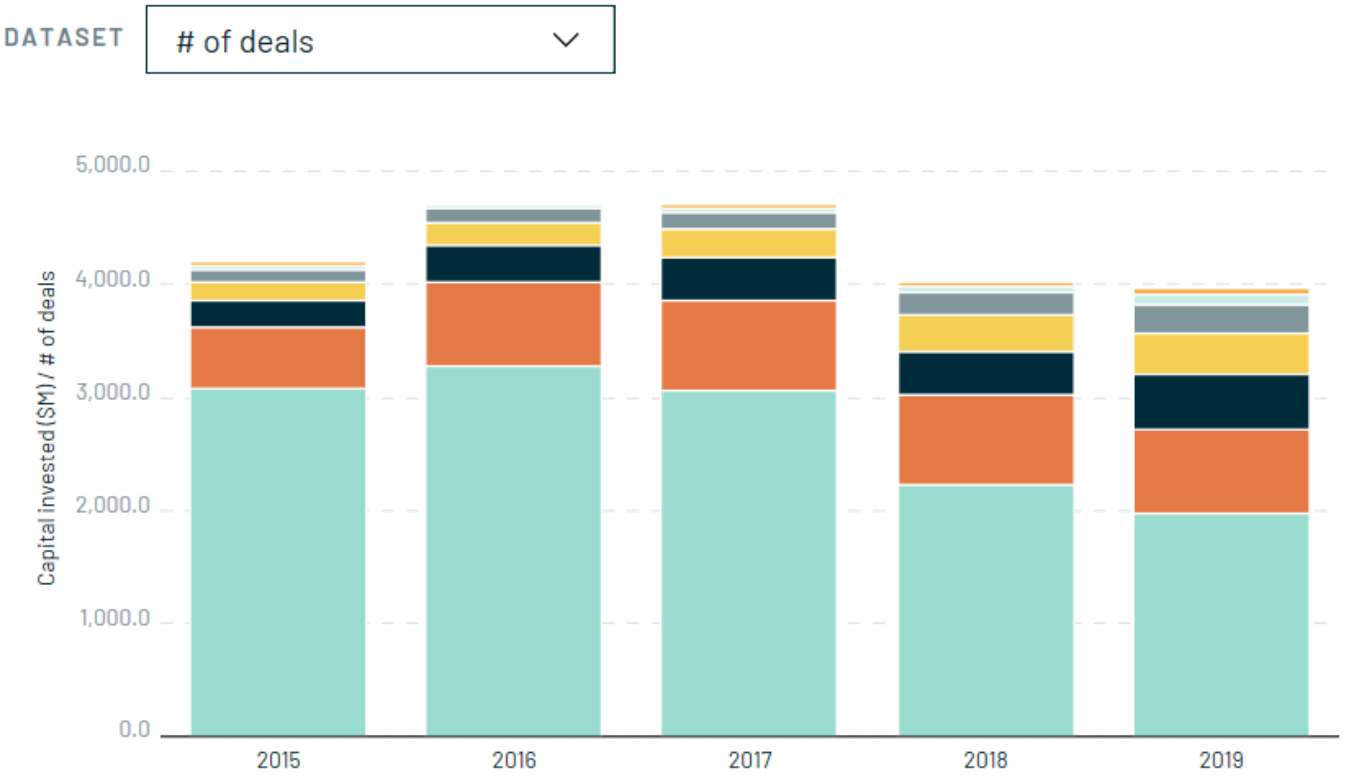
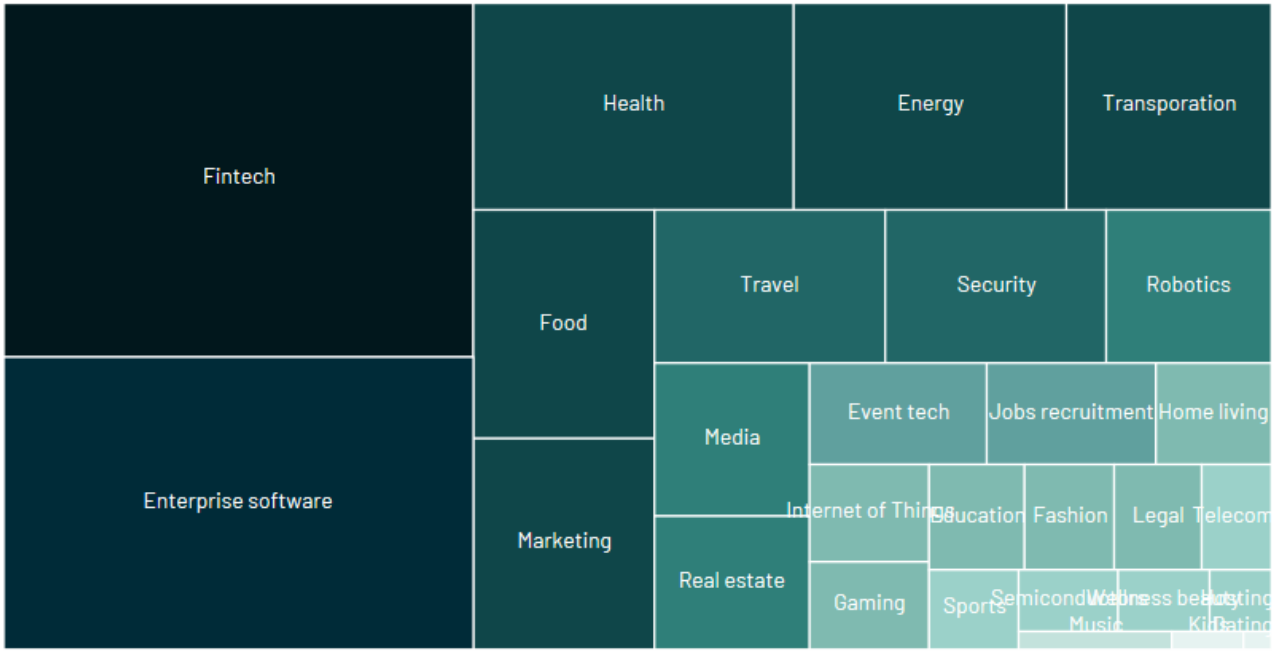


Diversified through sectors

Capital invested ($M) by industry

DATASET 2019



LEGEND

- up to 10,000
- 4,000 to 8,000
- 2,000 to 4,000
- 1,500 to 2,000
- 1,000 to 1,500
- 750 to 1,000
- 500 to 750
- 200 to 500
- 100 to 200
- 0 to 100
- up to 0

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

SOURCE: dealroom.co

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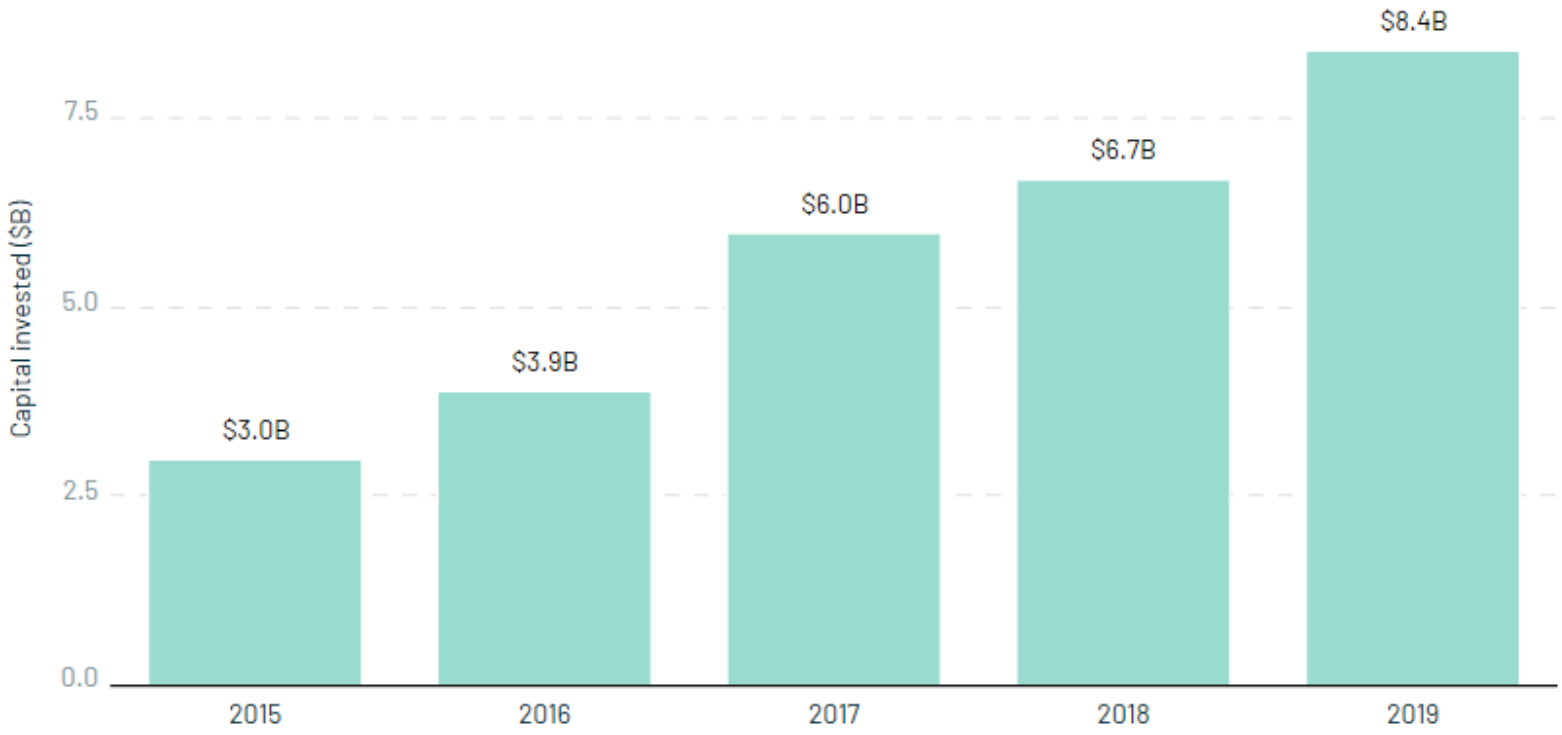
Capital investment on deep-Tech (focus of the EIC) is on the rise



100+ European deep tech startups raised funding in 2019.

RESOURCE: dealroom.co

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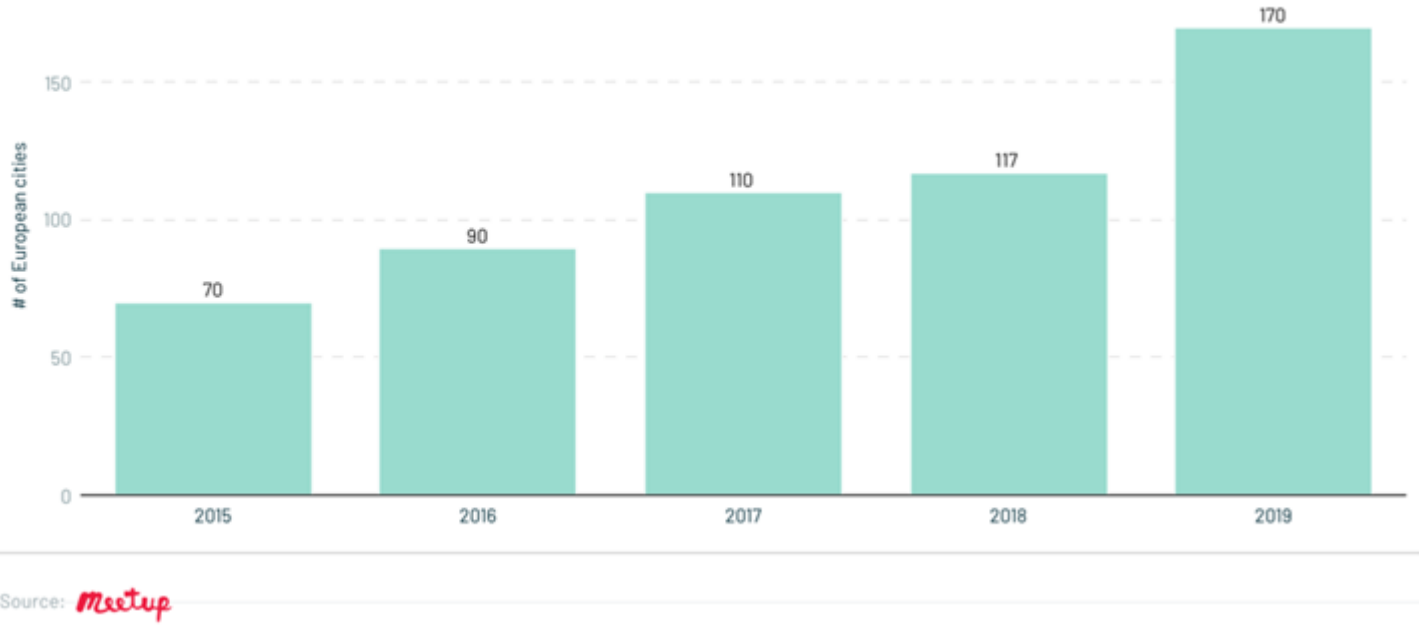
an ssion

Diversified geographically. Startups phenomenon is been democratised

Number of European cities with 100+ tech-related Meetup events per year

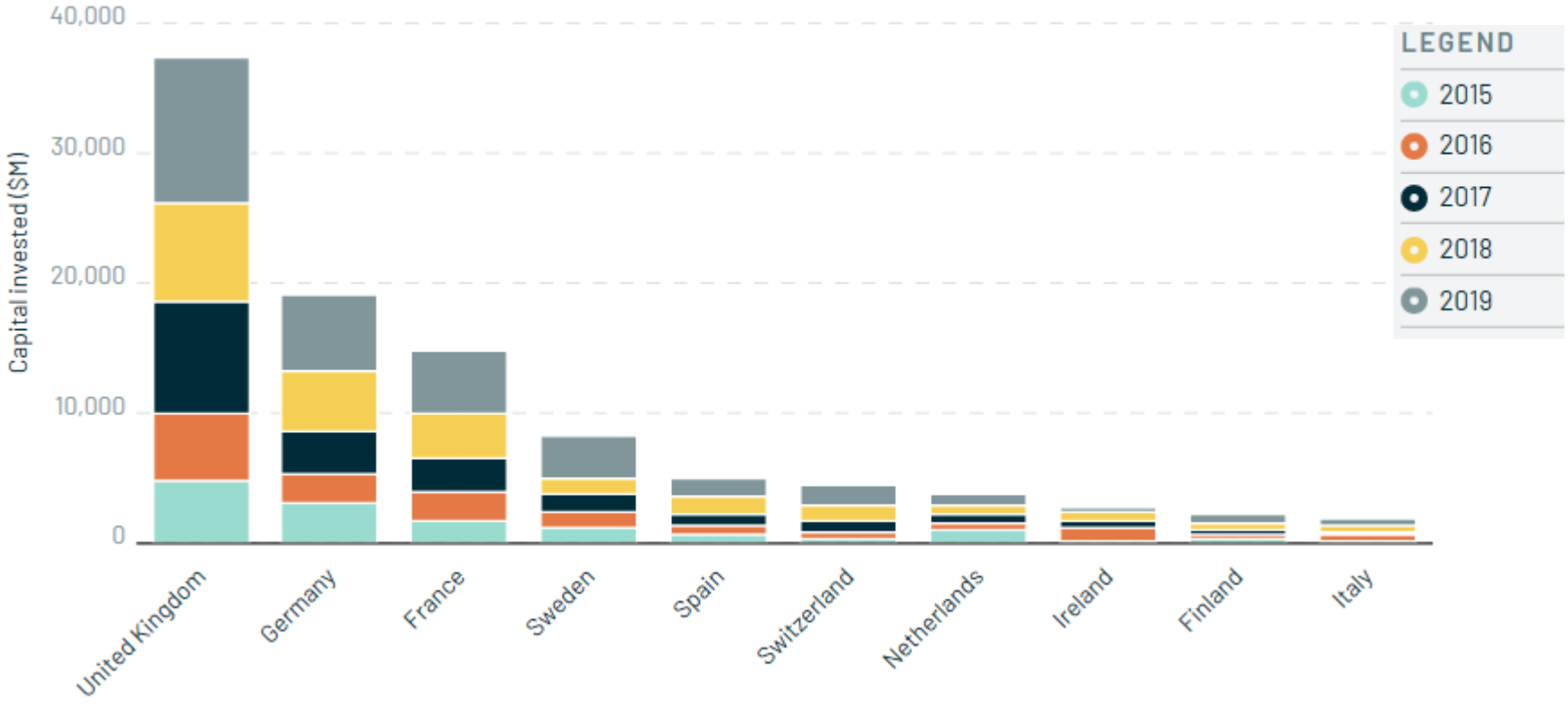


NOTE:

2019 annualised based on data to end of September 2019.

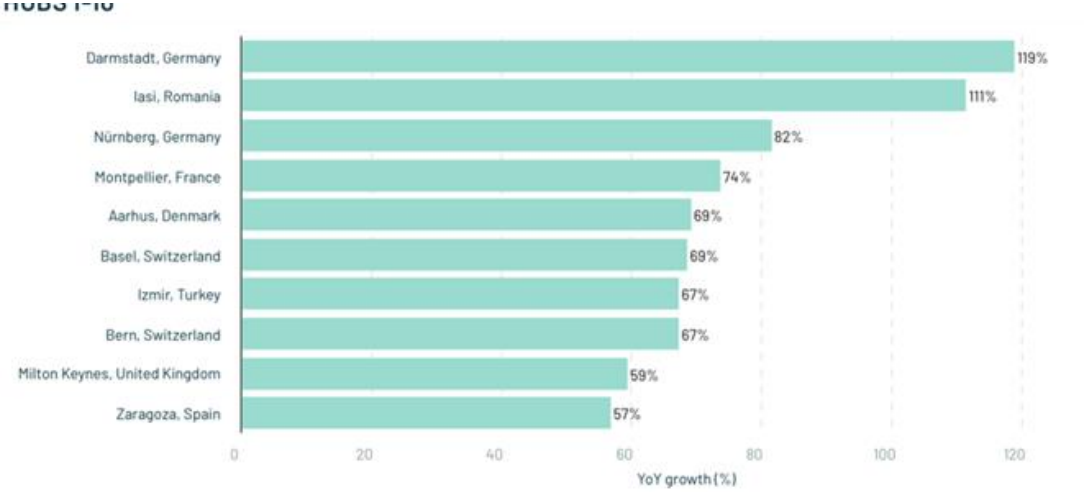
Source: Meetup

But there are still two leagues

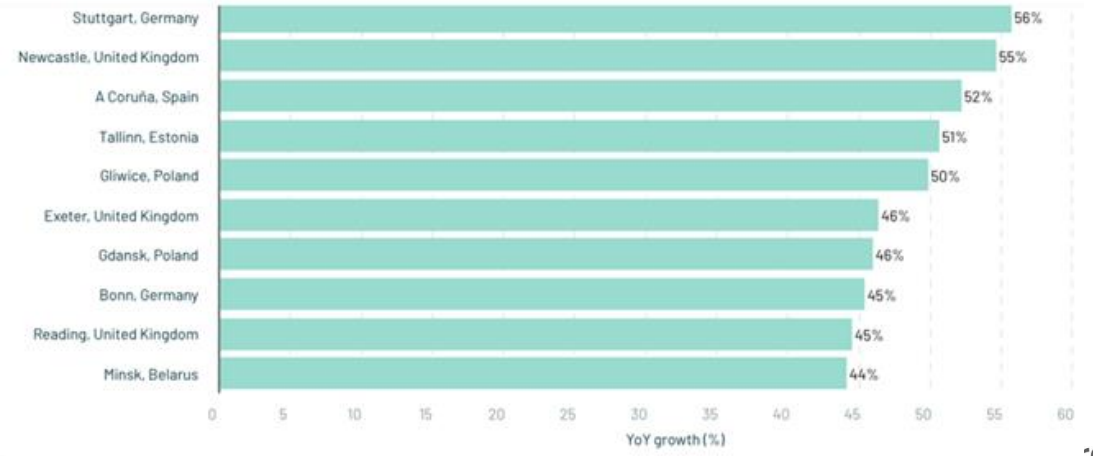


Spreading all across Europe

Top 20 fastest-growing tech hubs in Europe by year-on-year growth of attendees to tech-related Meetup events per city



HUBS 11-20



NOTE:

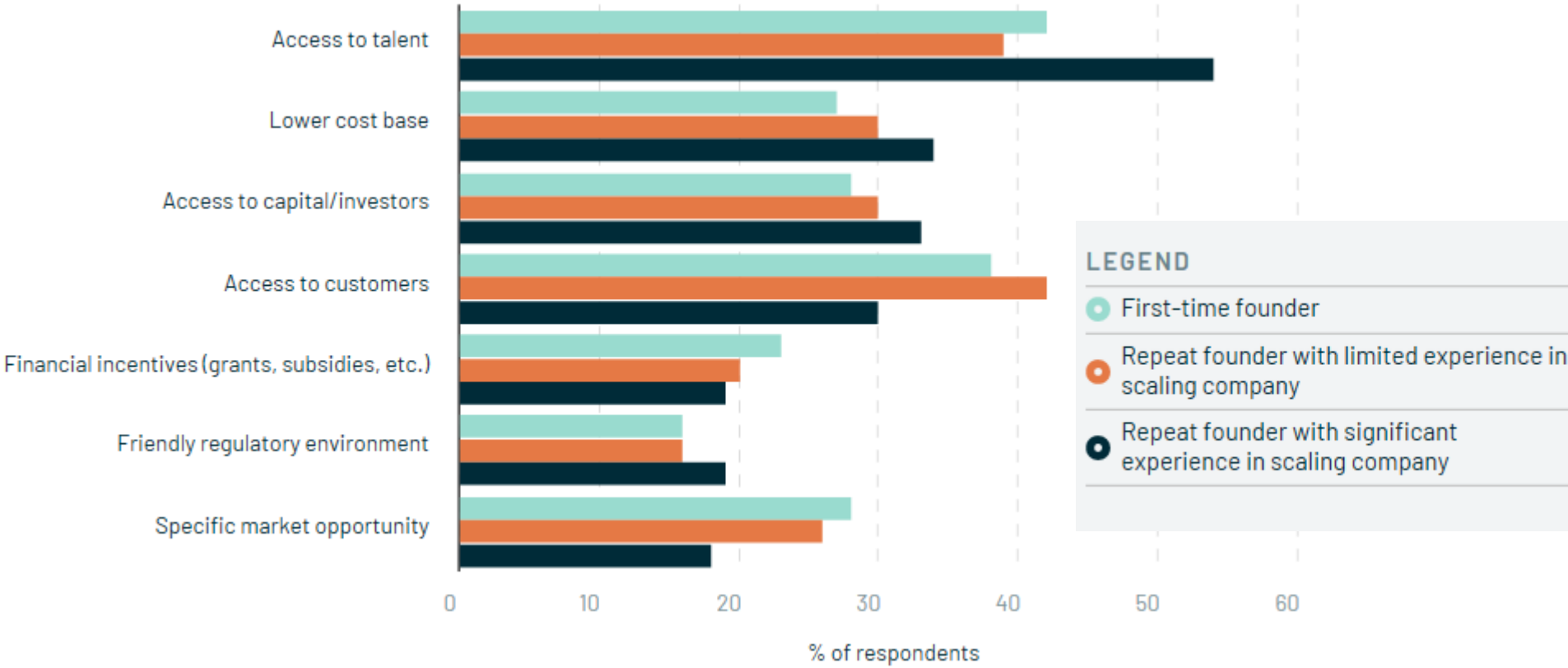
2019 annualised based on RSVPs to end of September 2019. Only hubs with at least 1,000 RSVPs in 2018 are included.

Source: Meetup

Competence (talent of the team)

Talent is the decisive factor if it is a part of a strong and supportive ecosystem

What is the most important aspect for founders to choose the location?



18:08 Domingo 12 de enero s3.eu-west-2.amazonaws.com 16 %

Talent (Competences) is the most important factor

Number of professional developers per 1,000 inhabitants

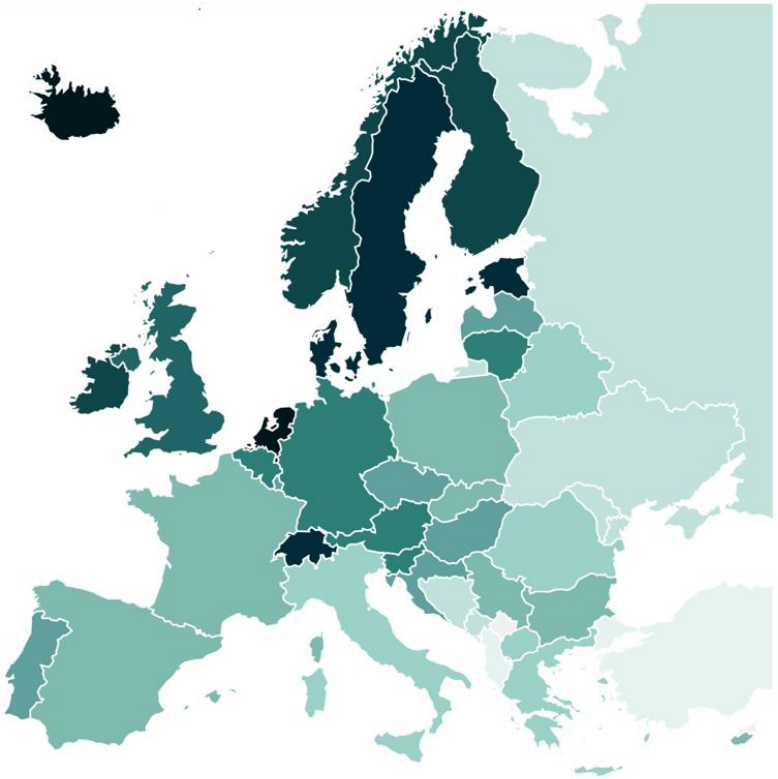
LEGEND

- up to 20
- 16 to 18
- 14 to 16
- 12 to 14
- 10 to 12
- 8 to 10
- 6 to 8
- 4 to 6
- 2 to 4
- up to 2

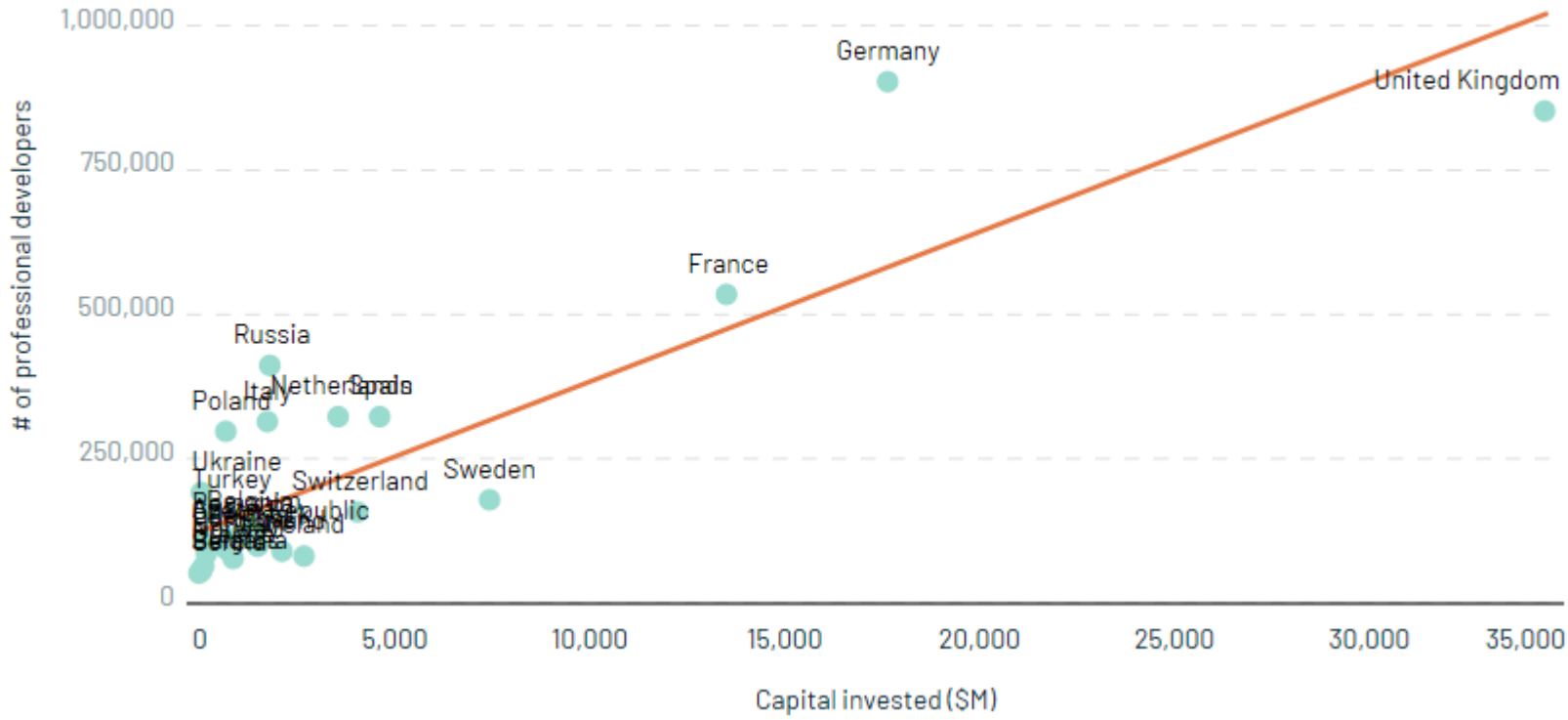
NOTE:

Calculated based on the total number of professional developers in the country in 2019 divided by the total population. World population figures taken from World Development Indicators using 2018 world population data.

Source: stackoverflow



Talent is the key. Developers attract capital (not the other way round)



Researchers are the key for having developers

CONNECTEDNESS

A STRONG AND SUPPORTIVE ECOSYSTEM IS THE DECISIVE FACTOR TO CREATE STARTUPS AND SCALEUPS (provided that there is talent = developers in the ecosystem)

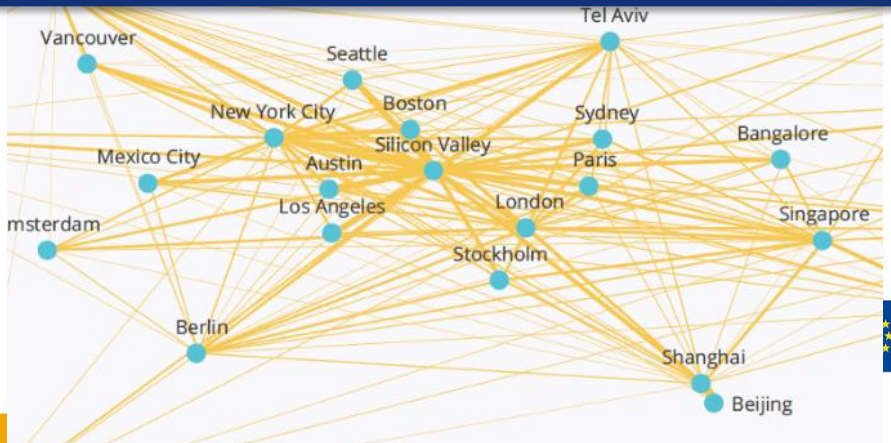
What is the key for a well functioning innovation ecosystem?

Competence

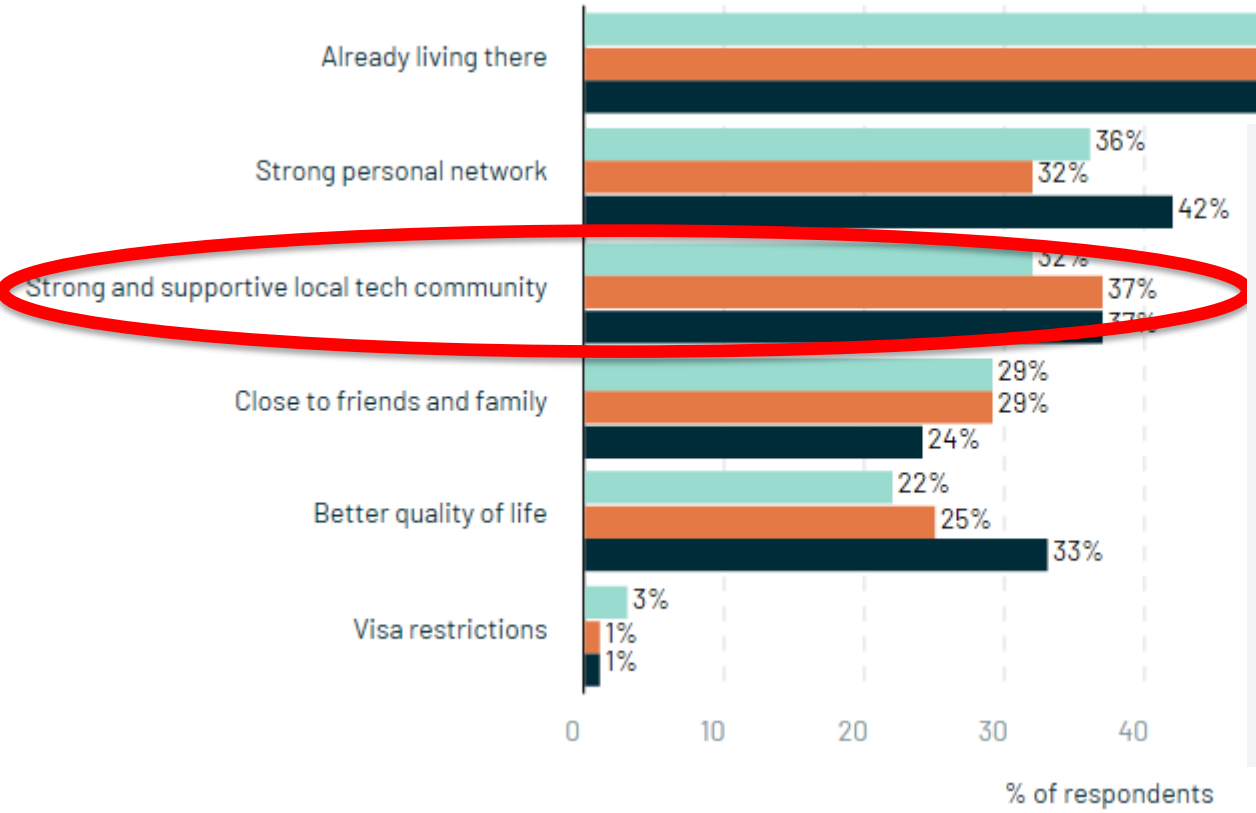
Capital

3 Cs

Connectedness



What is in the hands of Innovation Agencies halls to attract founders?



What were the most important personal considerations for you when choosing where to locate your company when you founded it?

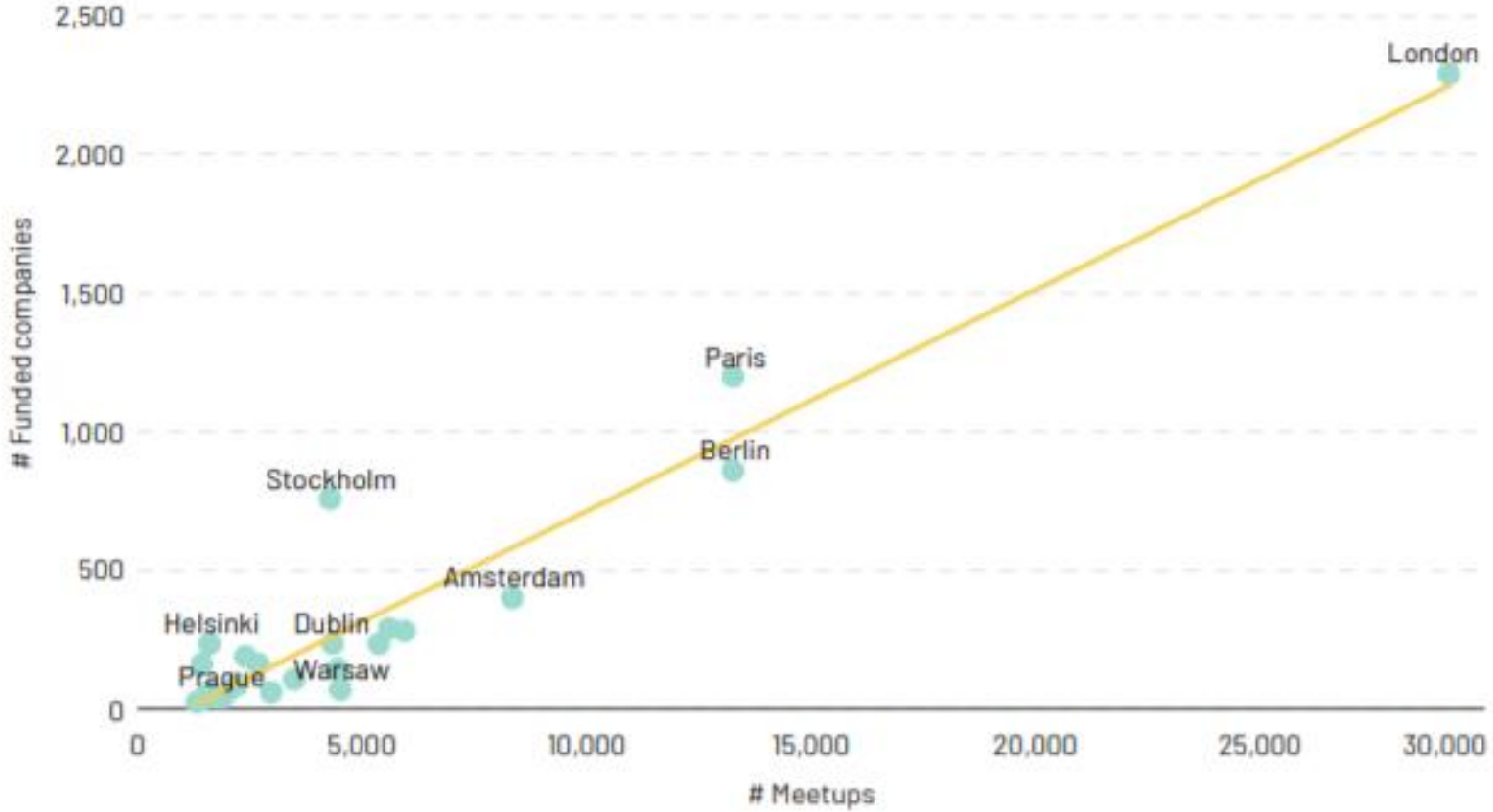
LEGEND

- First-time founder
- Repeat founder with limited experience in scaling company
- Repeat founder with significant experience in scaling company

Build Strong and supportive communities

How to create startups?

Direct correlation between number of meetups and number of startups (0,91 factor)



Meetup dealroom.co

How to build scaleups?

GLOBAL CONNECTEDNESS

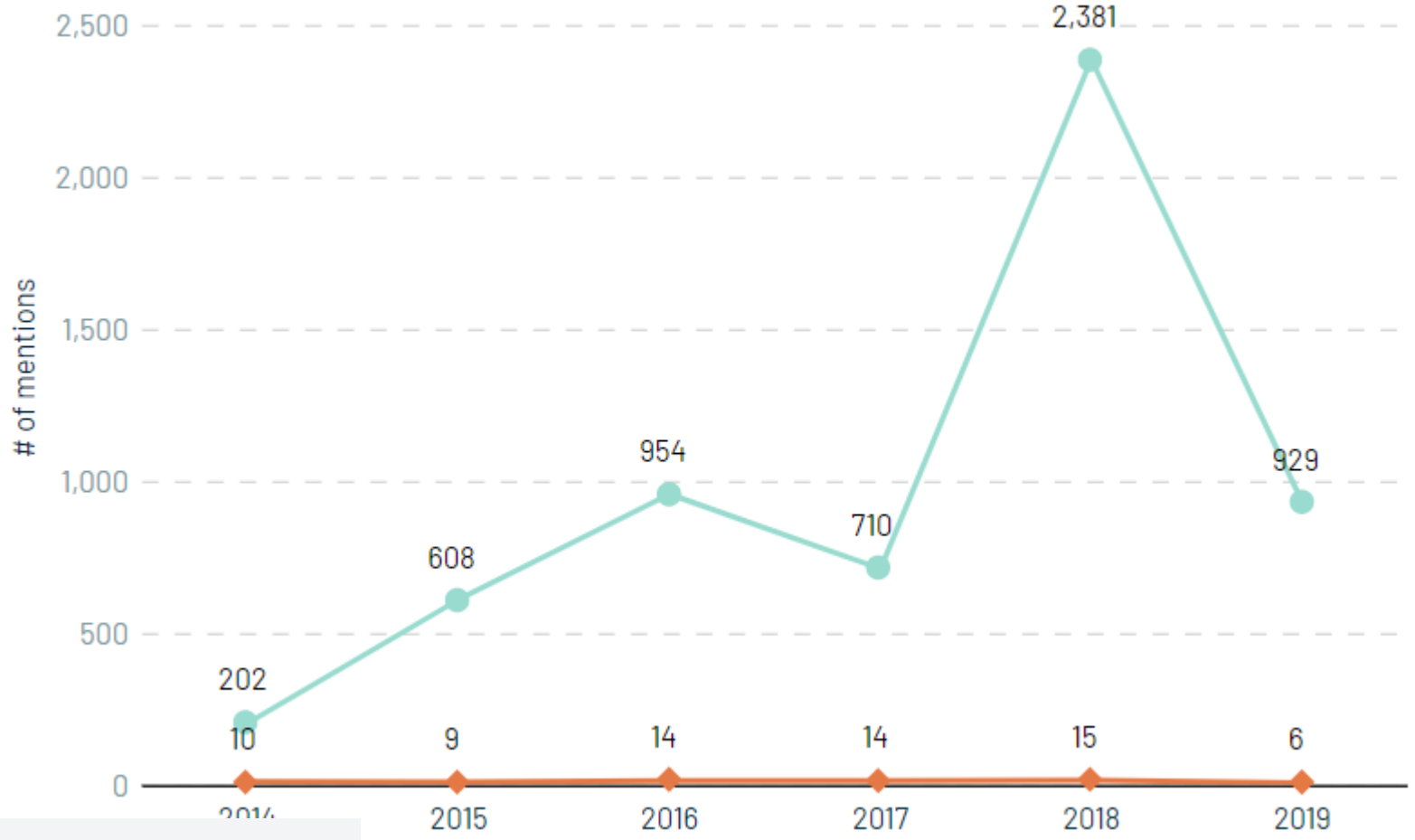
SOURCE: STARTUP GENOME 2018

REGULATION – Optimal conditions

"By paying attention to the priorities of founders policymakers can create optimal conditions for innovation and growth in Europe."

- Do not be distracted by US Big Tech
- Do not be led by investors

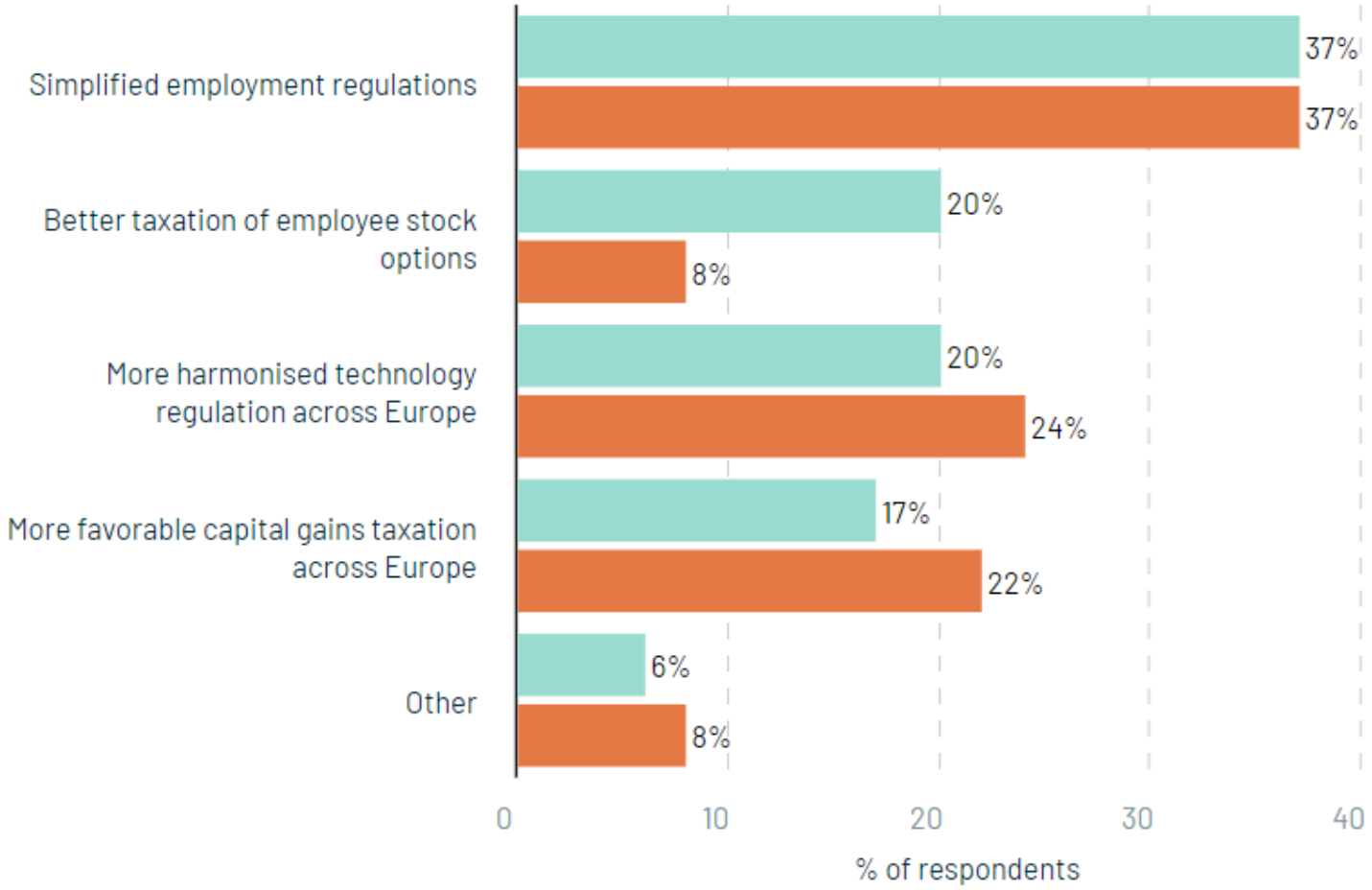
Distracted by US tech firms



Number of mentions in European Parliament activities and Press Releases (source: State of Europe Tech 2019)

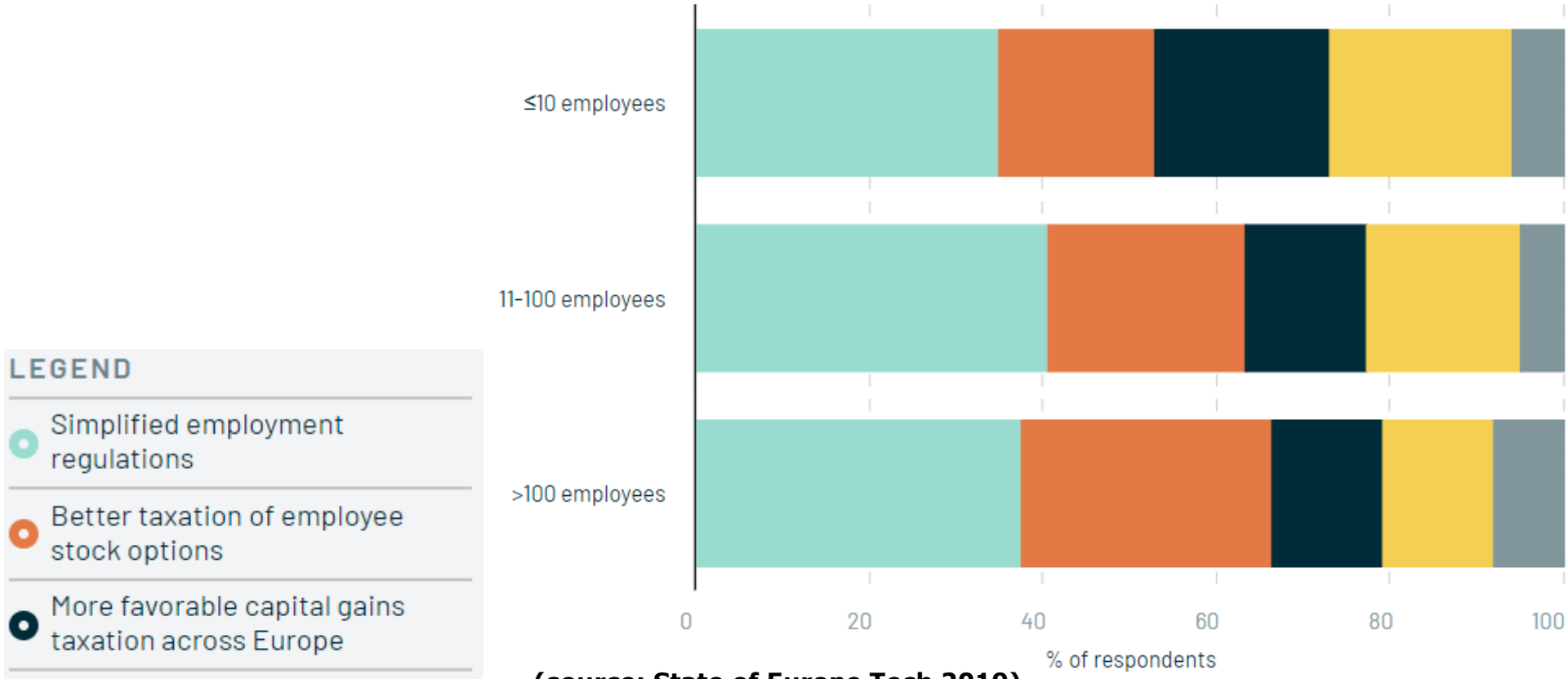
European Commission

Focus on what founders want:



(source: State of Europe Tech 2019)

See what scaleups need to grow and compete globally: Stockoptions, Startup regime (EU wide corporate law)

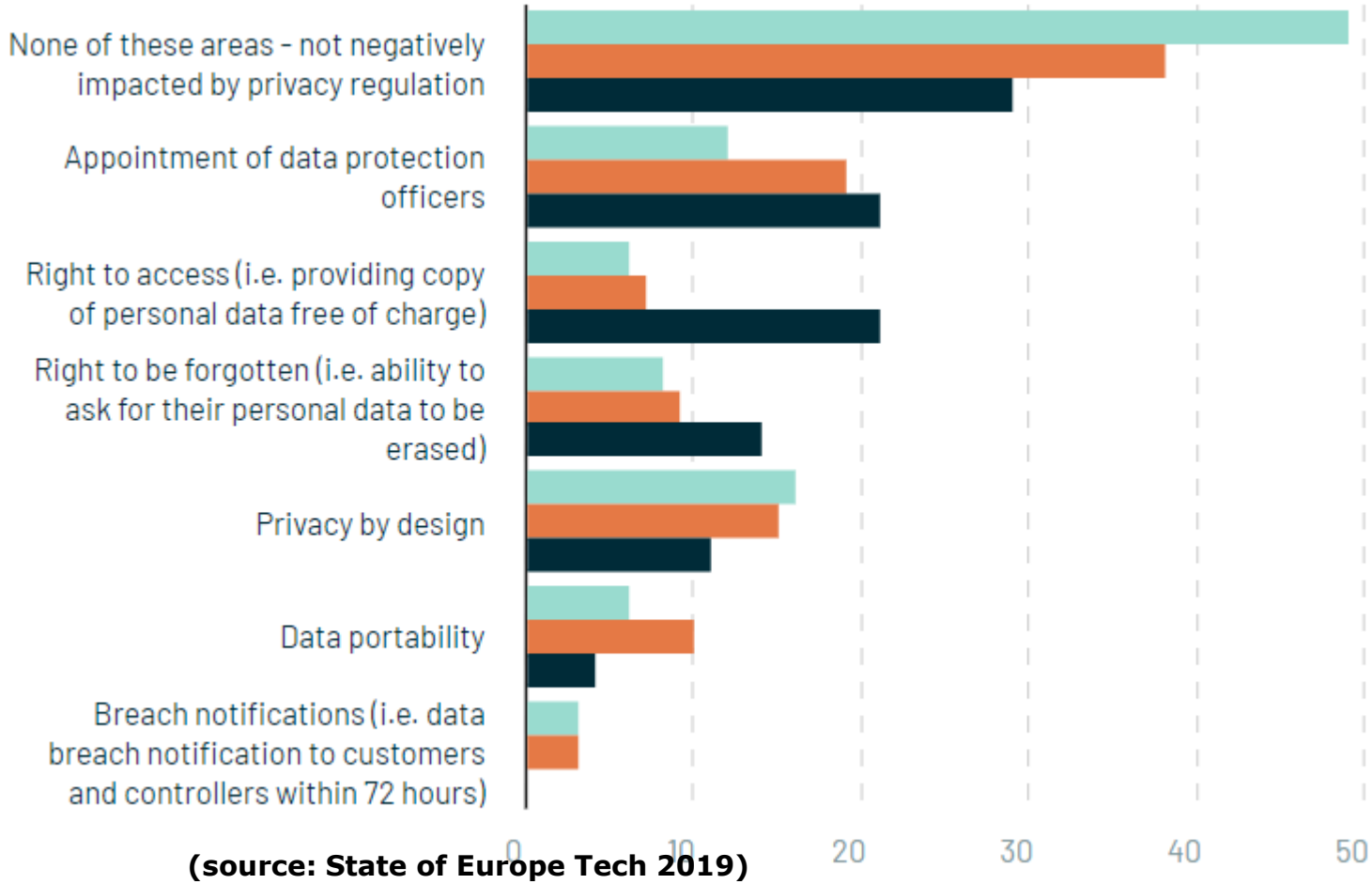


(source: State of Europe Tech 2019)

European Commission

Things have been done correctly in the past. Why not also in the future?

Which one of the following changes to privacy regulation have impacted your company the most over the last 12 months?



(source: State of Europe Tech 2019)

European innovation ecosystems initiative

Part of Pillar III, Horizon Europe proposal.

Possible budget: 500 M EUR

European Innovation Ecosystems response:

Rationale:

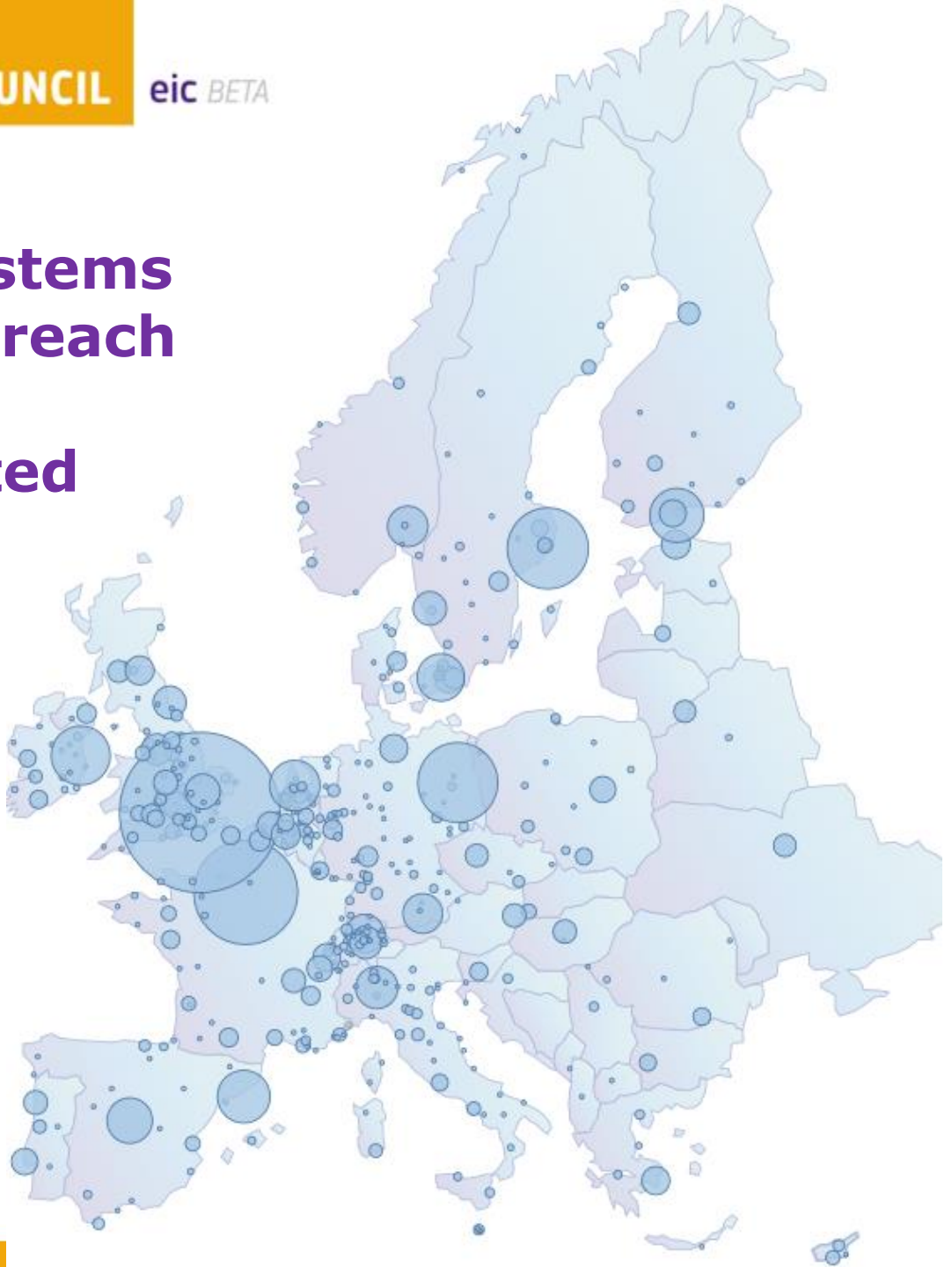
*"To **fully harness the potential of innovation** involving researchers, entrepreneurs, industry and society at large, the EU must improve the environment within which innovation can flourish at all levels. This will mean contributing to the environment of an effective innovation ecosystem at EU level, and encouraging **cooperation**, **networking**, and the **exchange of ideas**, **funding** and **skills** among national and local innovation ecosystems."*

Our aim

1. To connect local ecosystems across Europe and internationally (joint programme between MSs?)
2. Focus on scale-up. To support local ecosystems in their efforts to attract €100Mio+ investment rounds and unicorns.
3. Policy Forum to complement/guide operational actions

Support EIC as a Factory of Unicorns!

European tech ecosystems are rich but can only reach their full potential if better interconnected

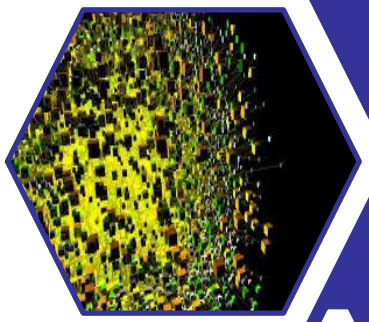


Map of the 476 European cities with at least one scale-up company, Startup Europe "Startup City Hubs in Europe" 2018 report

EIC Forum: connecting and developing innovation ecosystems

- Potential policy areas
- Working groups
- Methodology

ensure optimal conditions for European ecosystems



facilitate their connections within and across the borders

convene and drive them to address common policy objectives

Start with:
- **Public Procurement**
- **Plug-in**

Purpose of today

- ✓ To co-create with you the **future goals/missions** of our collaboration with Ministries
- ✓ To co-design **future actions/mechanisms** so that they:
  - are attractive and customized to Ministries needs
  - interlink local with regional, national and EU ecosystems
  - are inclusive (+ citizens!)
- ✓ **Invite you to attend the big conference on 18 February with commissioner Mariya Gabriel**

Value is not in the money,

but in the increased **CONNECTEDNESS** among ecosystems!

A. ROUND TABLE DISCUSSION

1. ***What are the main challenges and bottlenecks to develop your national innovation ecosystems?***

20 min

B. ROUND TABLE DISCUSSION

1. ***What are the main policy measures (implemented or planned at national level) to address those challenges?***
2. ***How could the EC assist Member States in building and connecting innovation ecosystems?***

2 x 20 min

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Fabienne Gautier
Head of Unit
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