MY-WAY in web entrepreneurship

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My web business

D6.5 Policy Recommendations

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European Confederation of Young Entrepreneurs (YES)

EUCLID Network (EUCLID)

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1.1 CURRENT YOUTH ENTREPRENEURSHIP POLICIES

The European Union is confronted with several challenges, from long-term demographic issues to the ongoing financial and economic crisis. In the Europe 2020 strategy, the President of the European Commission outlines how these challenges are going to be addressed. This will be achieved by following three mutually enforcing priorities: **smart growth, sustainable growth and inclusive growth**. Horizon 2020 Research and Innovation work program is the cornerstone of addressing these priorities.

Entrepreneurship, powered by digital/web technologies, will be crucial in strengthening the economic recovery and in achieving growth for the European economy. According to a new research from the OECD, the vast majority of new jobs, are created by companies five years old or younger. Almost all of these enterprises are heavy users of digital technologies. Web entrepreneurs require tailored support measures to structurally strengthen the web start-up ecosystem. For this reason, the Entrepreneurship 2020 Action focuses its actions at making entrepreneurial education accessible for all students and encourages its integration in degree studies. Moreover, the European Commission plans to foster and support collaboration among educators and fund projects, which will enable to achieve these goals.

Reference:
http://ec.europa.eu/programmes/horizon2020/h2020-sections
http://ec.europa.eu/enterprise/policies/sme/entrepreneurship-2020/index_en.htm

1.2 SOCIAL ENTREPRENEURSHIP IN EU POLICY

The Social Business Initiative (SBI), launched in 2011, introduces a short-term action plan to support the development of social enterprises, key stakeholders in the social economy and social innovation. That prompts a debate on the avenues to be explored in the medium/long term. The plan contains 11 priority measures, organised around three themes:

Theme 1: Making it easier for social enterprises to obtain funding
Theme 2: Increasing the visibility of social entrepreneurship
Theme 3: Making the legal environment friendlier for social enterprises

There was no specific theme or priority in the SBI on promoting social entrepreneurship, e.g. as a career option for graduates or in university teaching programmes. Given that it was the EU's first initiative in this area, it is perhaps unsurprising that the actions did not cut across web or student entrepreneurship.

The European Commission's Social Business Expert Group (GECES) has published a new report (November 2016) which includes 13 recommendations across 4 areas – of which the following two are relevant to web entrepreneurship by students:

"3. The European Commission and Member States, as well as their local and regional authorities, should mainstream the social enterprise dimension in relevant policies, programmes and practices."

This implies that the EU will be keen to promote social enterprise as a visible approach in efforts to promote youth entrepreneurship.

"4. The European Commission and Member States should provide increased resources to training programmes, incubators and intermediaries that provide tailored capacity building support to social enterprises required to build their managerial skills and to encourage their financial sustainability".

Student support centres should be among the incubators and intermediaries that could provide capacity-building support for social enterprise in their city or region.

Reference:
http://ec.europa.eu/growth/sectors/social-economy/enterprises_en

2. MY-WAY results in a nutshell

MY-WAY improves the collaboration and efforts of web entrepreneurship initiatives (hubs, projects, networks, contests, etc.), business experts (accelerators, mentors, etc.), educational actors (business teachers, trainers) and the young adults as the final beneficiaries (through student networks, their alumni and student entrepreneurship centres). The project creates synergies and finds ways to embed flexible support services based on the existing best practices to be sustained by the student centres and student networks for supporting the young adults to become web-entrepreneurs.

MY-WAY partners have mapped the web-entrepreneurship ecosystem and have defined the needs of the students and the capabilities of the student organizations. The project consortium has shared a set of European best practices on student support activities, which were analysed in the context of capability gaps defined at student organizations. MY-WAY has designed a Map of European Web Entrepreneurship that collects the most relevant actors for a young person wishing to launch a new business. MY-WAY generated number of collaborations agreements and joint action in order to establish connections between student organizations and stakeholders of the startup ecosystem. MY-WAY launched the Student Enterprise Conferences and organized five successful events in London, Budapest, Lisbon, Tel-Aviv and Treviso. MY-WAY has developed Action Plan that lays out potential activities, programmes and arrangements for student support organisations of young entrepreneurs in four different European countries: Hungary (Budapest), Turkey (Istanbul), United Kingdom (London) and Spain (Zaragoza). The implementation of the Action Plan resulted new student led entrepreneurship initiatives.

3. MY-WAY Recommendations

In order to better understand current gaps and needs of student support centres working with students on entrepreneurial skills, the MY-WAY project carried out the following:

Online mapping of the web entrepreneurship ecosystem in 10 European cities
Online survey to students and face-to-face interviews to student support centres
Collection of successful innovative collaboration agreements between a wide range of initiatives offering support to prospective entrepreneurs
Face-to-face discussions to key actors in the European web entrepreneurship ecosystem
Four Student Enterprise Conferences, engaging student entrepreneurs and student support centres in constructive, novel dialogues with key stakeholders.
The Synergy Report summarises the main findings concerning current challenges and experiences of student support centres in Europe.

In line with the European Commission's objectives abovementioned, and based on lessons and outcomes of the MY-WAY project, a number of policy recommendations follows aiming at enhancing youth entrepreneurship in Europe.

3.1 RECOMMENDATIONS FOR STUDENT ORGANISATIONS

3.1.1 Student organizations should collaborate closer with universities

Business focused student organizations, along with university incubators, provide young students with their first introduction to entrepreneurship. As such, they play the very important role of teaching undergraduates about startup culture, business leading, innovation, collaboration and network.

While such experiences are invaluable for students that want to start their own company and play a positive force in spreading entrepreneurial culture in Europe, they often take place in an ad-hoc and unstructured way, which is the opposite of what would happen in a VC driven environment. It is indeed important for students to self-organize while starting their first business, as the main way to gather experience and learn from their own mistakes, but it is also important for universities to collaborate more closely with their student organizations.

This collaboration would have several benefits not just for the student founders, but also for the university, and the academics who participate in such a venture. For one, it will enable university lecturers on business related topics (such as management, economics, etc.) to get their students to see the practical implications and applications of their courses beyond an abstract academic understanding. Such a collaboration and knowledge exchange will lead both sides to a heightened awareness of the issues

involved, and will help build stronger ties between students and academic professors. Universities also have the visibility and means that are necessary to attract VCs and business leaders to work together with their student entrepreneurs, allowing them to be mentored and guided not just by the academic stuff but also by industry professionals.

Since student startups by necessity target the current market and have to keep in touch with the latest market and industry trends, a closer collaboration between universities and student organizations (through work in mutual projects and mentoring of student businesses) will force universities and university professors participating in such ventures to stay up-to date and avoid over-emphasizing abstract academic skills. This emphasis on business pragmatics will not be contained at the student organizations and student startups level, but will inevitably trickle to the university curriculum, lab work, etc., affecting even the non-entrepreneurial students. Universities following such an approach will be more highly valued by the labour market, and their students will be sought after, whether they decide to continue and/or set up their own business, or find a job in some existing business.

A closer collaboration between student organizations and universities will also benefit the former by allowing them to reach a wide target audience (and thus attract more students and influence) by entering the university's business network and internal channels of communication. A properly run, entrepreneurial oriented, student organization, can become not only an excellent way to promote startup spirit and provide experimental business learning opportunities to undergraduates, but also a profit centre for the university, which can have first-rights to fund and participate in the most promising student-run business ventures.

3.1.2 Universities and student support centres should be part of the entrepreneurship ecosystem

Cooperation between universities, student support centres, entrepreneurs and stakeholders of the entrepreneurship ecosystem is necessary for increased innovation and the emergence of healthy, sustainable, student-led businesses.

For businesses, universities and academic research serve as a fertile ground for scientific and technological innovation, while for universities, industry support is crucial for going beyond purely academic research and being able to monetize their intellectual capital. This symbiosis can be further boosted by an emphasis on mutual projects and research driven by industry needs, thus combining the strengths of both the academic and the entrepreneurial world. Besides the direct business implications, such collaboration can serve as a pool of future employees for the participating businesses, giving them a low-cost and high-return way to evaluate future employees in real world scenarios and projects that closely match their business needs. As historical experience with such ventures shows, undergraduate and postgraduate students that participate (and distinct themselves) in such projects will come out with much better career prospects compared to students that pursued a narrower academic focus, with many having job offers

waiting for them directly upon graduation. By entering the university network and working closely with academic units, entrepreneurs will not only be better able to reach their future employees but will also gain the means to better understand their needs, requirements, and labour trends.

Student support centres have a special role in this process, serving as intermediaries between interested businesses and VCs, individual graduates looking for a job, students seeking work experience, and student startups that want to collaborate with established businesses. They can also play an important role in providing early access to capital for university startups, by giving student entrepreneurs monetary aid and by promoting off-campus education and development programs.

To properly build a sustainable and effective academic/entrepreneurial ecosystem, universities should establish incubators and accelerator programs with the aim of building bridges for collaboration between the university, student support centres, and entrepreneurs.

The MY-WAY project has been a good example that can be utilized for facilitating such connections.

3.1.3 Repository of student led startup initiatives and programmes aims at supporting student entrepreneurs

Students have been in the focus of the actions of the European Commission since the publication of the Entrepreneurship action plan 2020. The MY-WAY project has addressed this with collecting the major existing student startup initiatives in Europe and with the organization of Student Enterprise conferences. The conferences aimed to provide students with workshops, practical opportunities and networking. Student enterprise conferences were organized in London, Budapest, Lisbon, Tel-Aviv and Treviso, each event counting over 100 + participants.

In order to promote entrepreneurial culture among university students, the European Commission has formed the Startup Europe Comes to Universities (SEC2U) initiative. The initiative brings together entrepreneurs, businessmen and representatives of local universities and government for one week: to showcase local universities; opportunities and support for businesses; success stories and cases of failure as a way of learning; and allow time for networking and to make contacts among participant.

The MY-WAY project during the course of its implementation has come to conclusion that a Repository of such student initiatives is **highly needed** for the student population. The rationale behind this recommendation is our interaction with the student population, listening to their needs but also discussing these issues with other initiatives and projects. The creation of a Repository of student initiatives will undoubtedly be a useful database for practitioners, students and initiatives.

3.2 RECOMMENDATIONS FOR WEB ENTREPRENEURS WITHIN THE EUROPEAN UNION

3.2.1 Ensuring Access to Student Support Organisations in Local Ecosystems

Student support organisations have demonstrated considerable impact on the decision-making of young entrepreneurs to enact their ideas and turn them into businesses. Ecosystem legislators should guarantee that student support centres are present in their ecosystem and are supported sufficiently. In its current format, students repeatedly do not have access to support organisations within their local ecosystem or are not aware of their services. The MY-WAY survey showed that 94% of survey respondents utilise the internet to access information on available enterprise support. Concurrently, only 62% of respondents are aware of programmes or services that support entrepreneurs in their countries. This apparent mismatch requires a rethinking of the online presence of student support centres across Europe.

The MY-WAY survey also identified that more than two thirds of respondents believe that there is not enough coherent information about web entrepreneurship initiatives in their country and city. More than one third of TYAs do not receive sufficient, the right or no support at all, because they are not aware of opportunities in their ecosystem. Therefore, enterprise support organisations not only need to provide the right services to young entrepreneurs, but they are required to assure that these services are advertised sufficiently and effectively.

3.2.2 Rethinking the Role of Student Support Organisations

Student support organisations need to reconsider their role within the ecosystem. While student support centres are not necessarily required to become the key player within the local ecosystem, it is essential for them to provide easily accessible and coherent information as well as establishing and strengthening partnerships among similar support organisations and networks within the ecosystem.

By positioning themselves as central information points for young entrepreneurs in their regional ecosystem, student support organisations can provide more coherent information and services that will help the prospective entrepreneurs to take the first step of their entrepreneurial journey and orient themselves within the ecosystem. In addition, student support organisations need to provide stage specific services. Particularly mentoring, pre-acceleration or idea-acceleration, financial and tech skills support are required to support young entrepreneurs effectively.

3.2.3 How Student Support Centres can promote Social Entrepreneurship

Student support centres should contact their alumni association to enquire whether any alumni became successful social or web entrepreneurs. Further, those could be invited to give guest lectures to current students or mentor graduates who are in the start-up phase of developing their enterprise.

Further Student support centres should request advice of academics directing any modules or masters' programmes on social and web entrepreneurship that could guide their support offer to student entrepreneurs. In this way, the staff involved in teaching process could be also involved in mentoring process and encourage their students to set up their own enterprise, by ensuring them that they will receive the needed support by university.

3.2.4 Integrating EU and social entrepreneurship aspects into student support centres offers

The European Social Fund (ESF) is supporting social entrepreneurship initiatives on the ground in a number of Member States: student support centres should investigate what links they could make to social enterprises supported by European Social Fund (ESF) and how they could promote ESF-related training and development opportunities for student entrepreneurs.

The Erasmus for Young Entrepreneurs programme supports mobility opportunities for young (social) entrepreneurs who already have a business plan and a desire to learn from an entrepreneur in another Member State. Student Support Centres could in the first instance look at better promoting this programme and contact the local Intermediary organisations to organise periodically informative sessions for students. Further, they should also offer a help for students with application process; (write a compact business plan and bio) and most importantly advice to identify the profile of desired exchange host entrepreneur.

4. Policy Recommendations

4.1 DEVELOPMENT OF AN EU-WIDE NETWORK OF UNIVERSITY ACCELERATORS SUPPORTED BY THE EUROPEAN COMMISSION

The European Commission should support the development of a network that will incorporate existing university accelerators. Connecting these accelerators will help developing and fostering synergies among them, exchange and create joint programmes for students and enable students from different Universities to create teams for acceleration programs. Such a network-building could be part of the Startup Europe Initiative action plan as well.

Reference: YouGov Scale-up Survey. Sept 2014
http://www.startupmanufactory.com/university-startup-accelerator/#fn-984-5

4.2 INCREASED SUPPORT FROM POLICY-MAKERS TO SOCIAL ENTREPRENEURSHIP PROMOTED BY STUDENT SUPPORT CENTRES

Social entreprenurship should be incorporated both in practise and in policy in higher education. Decision-makers in colleges and universities should higlight the importance of social entrepreneurship not only in business education but also across all disciplines. By doing so, students can be trained how to drive social innovation and tackle societal challenges more effectively. Student support centres would be excellent promoters of social entrepreneurship topics, however they do lack support. Student support centres can help students through events, workshops, etc. to gain better skills and develop the know-how in social entrepreneurship.

The European Comission should consider supporting student support centres and assist them in developing connections and synergies. A way of support would be to include such an action into the DG GROW Entrepreneurship Action Plan and Social Business Initiative, or a more concrete idea raised is to organise study trips for the Student organisation representatives to Brussels to the European Parliament, supporting them to attend the Euro event on social innovation.

4.3 INCREASED SUPPORT OF THE EUROPEAN COMMISSION AND STARTUP EUROPE TO CONNECTING UNIVERSITIES WITH STUDENT ORGANISATIONS

The European Commission and the Startup Europe Initiative should enhance its efforts and activities on bringing closer the Universities and student organizations to the other actors of the entrepreneurship ecosystem. This can be achieved with the organisation of events, meet ups, lectures which can be organised by student organisations and universities. The EC and Statup Europe Initiative could contribute to these events by suggesting mentors, experts and projects that can participate as panelists or lecturers. Creating this synergy can be a starting point for future colaborations among all parties.

5. Conclusions

Eighty-seven per cent (87%) of scale-ups said that they would be able to grow faster if university graduates had the skills needed to meet customer demand. The shortage of up to 900,000 ICT professionals that Europe might face by 2020 can be also approached by starting an initiative to create or reinforce a network of web accelerators within the most important universities within each Member State. The entire ecosystem will benefit as more students will be engaged in startup activities, their skills will be much more in line with employers' needs from a young person, especially in terms of ICT skills. The base of new startups will increase and the chances to create new unicorns as well.

According to a study of the National Business Incubation Association in the US, every $1 invested in an accelerator, translated into $30 in local tax revenue. Moreover, according to Startup Manufactory, Accelerators based at universities created an average of 30 ventures per year. As mentioned in the Accelerator Assembly's Report; 53 accelerators have operations in Europe, meaning 25% of the World's total number of accelerators. Whereas, in the United States 60% of the accelerator programmes can be found.

Looking from the European perspective, there is a wide array of potential resources that are largely disconnected and are not used to maximum effect. This could be changed by enabling disparate support organisations to work more closely together for the benefit of entrepreneurs and thereby make a significant contribution to economic growth and job creation. Coming back to Commission's initiatives in this field, we would like to stress the fact that Startup Europe Partnership was started as a project that bridges universities and high growing startups with corporate companies. Until now, the last two parties were much better involved and the universities are not so engaged, even though universities should have a primordial role in teaching young people to act in a more business oriented way.