

Support for high-growth innovative enterprises: policy measures in Poland

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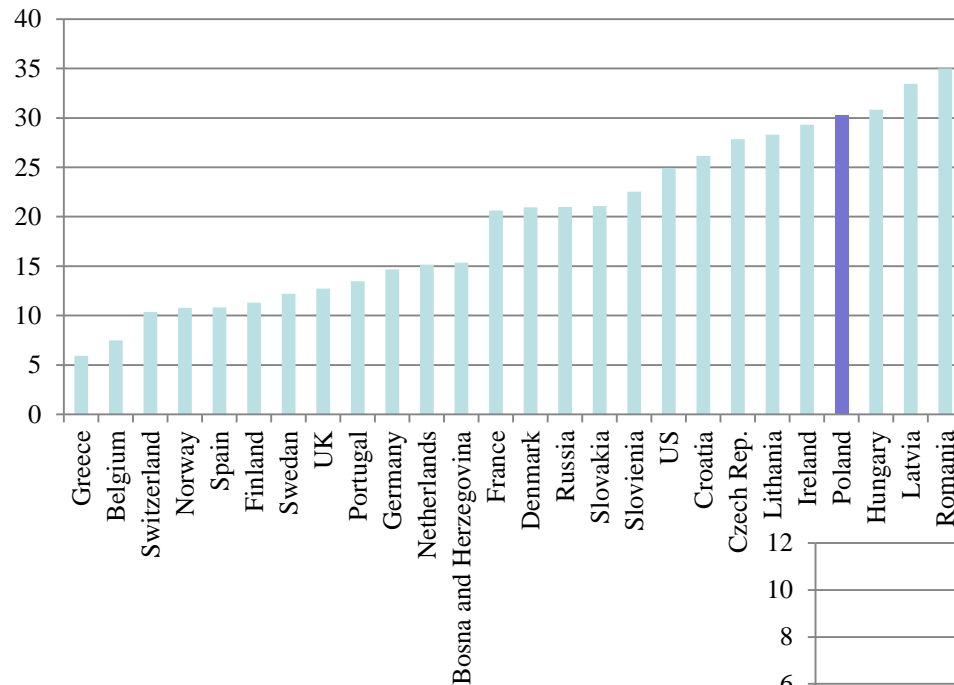
An event of the
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Growth expectations

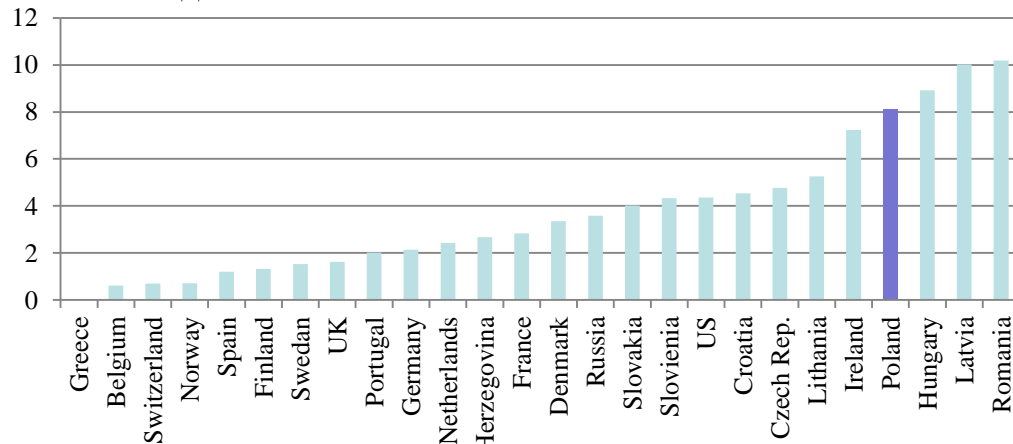


Global
Entrepreneurship
Monitor



Share of high employment growth
expectation companies in TEA
(10+ and >50% within 5 years)

Share of high employment growth
expectation companies in
established companies
(10+ and >50% within 5 years)

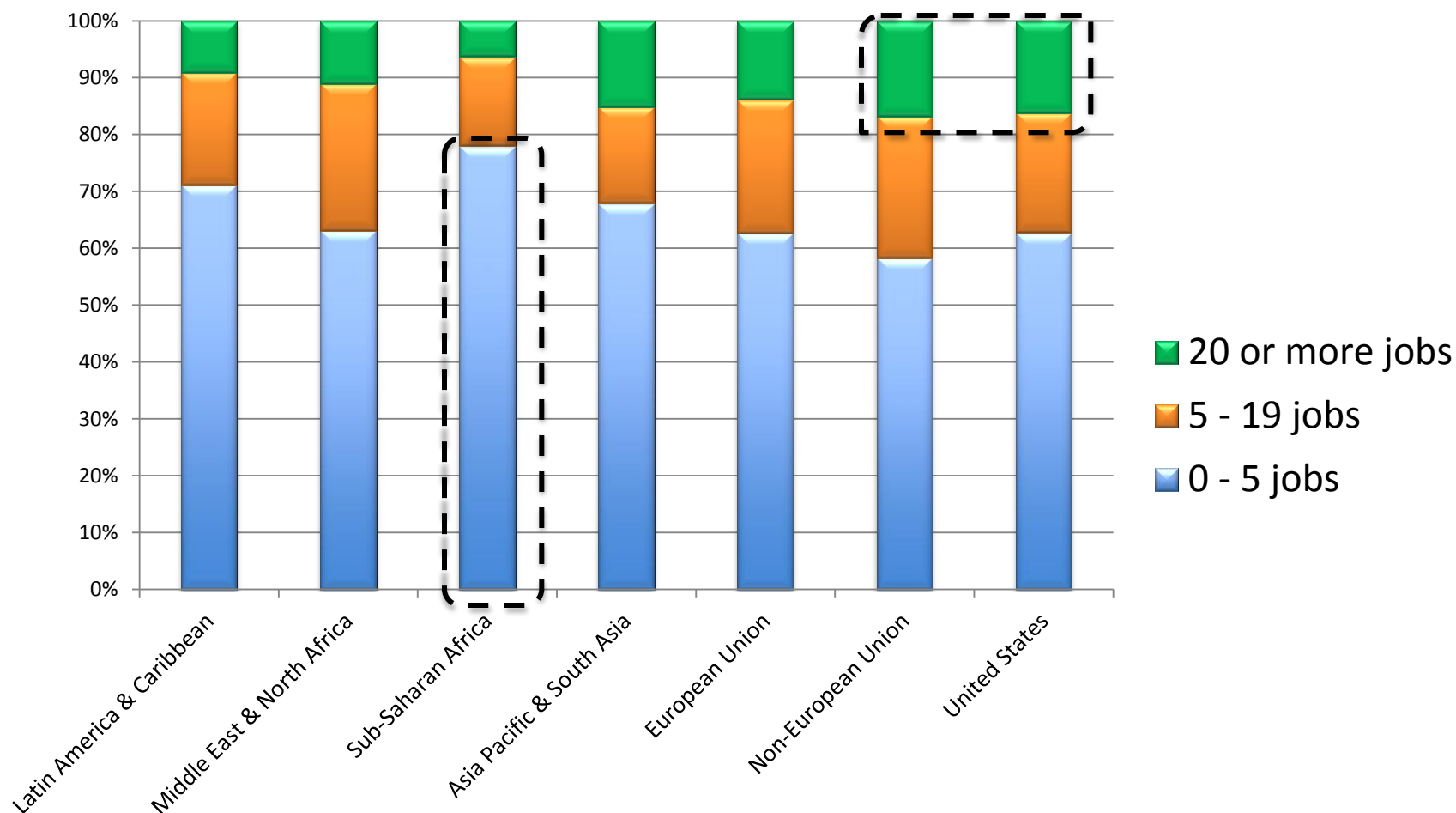


Source: S.R. Xavier, D. Kelly, J. Kew, M. Herrington, A. Vorderwulbecke, *Global Entrepreneurship Monitor 2012 Global Report*, GERA 2013

Growth expectations



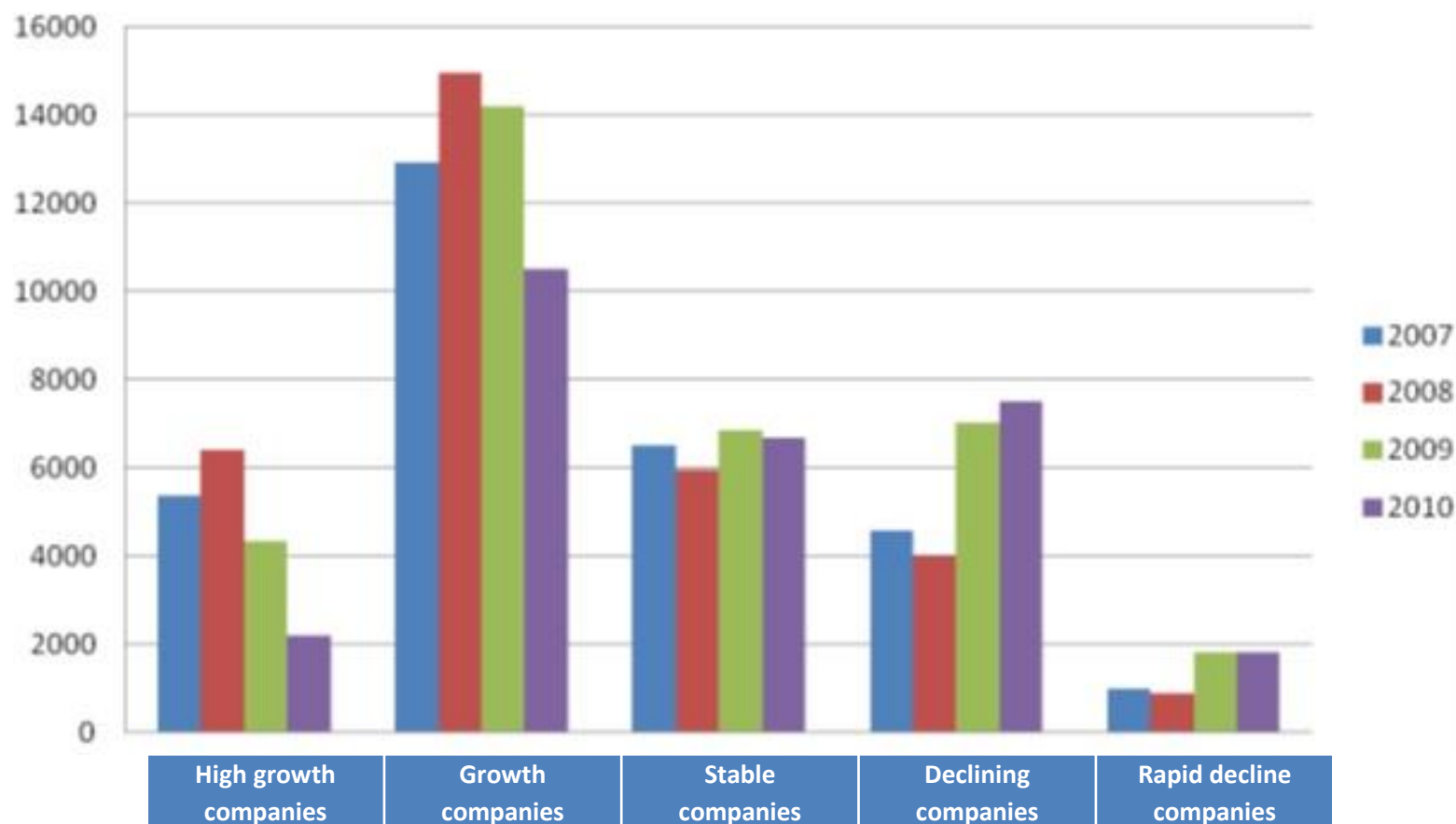
Global
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Source: S.R. Xavier, D. Kelly, J. Kew, M. Herrington, A. Vorderwulbecke, *Global Entrepreneurship Monitor 2012 Global Report*, GERA 2013

High growth enterprises in Poland

Number of enterprises surveyed



Source: Central Statistical Office of Poland, *Chosen Entrepreneurship Indicators*, December 2012

Growth evidence – Innovation Barometer

There is a clear growth in innovative potential and competitiveness of enterprises

39 000 grant applications

-> 11 000 contracts

12 766

jobs created



INNOVATIVE ECONOMY
NATIONAL COHESION STRATEGY

EUR 11 bn

investments generated

Results of "The Innovation Barometer Project" (2011-2012) query on OP IE beneficiaries.

Data concerning the development of R&D activities of beneficiaries 1.4-4.1, 4.2, 4.4 and 5.4.1, and the employment growth of beneficiaries 1.4.-4.1, 4.2, 4.4, 6.1 and 8.2 in the first year of OP IE projects implementation (first 2264 projects of OP IE included in initial evaluation)

Initiating innovative activity – first results

Budget

PLN 580 m

Funds payed
to incubators

PLN 340 m

Incubators
supported

43

Start-ups
supported

350

Planned number
of preincubation

>1800

Mobilised
private capital

PLN 280 m

Planned number
of start-ups

>600

About 30 unseccessful
investnemnts

Private investment – the role of angel investments



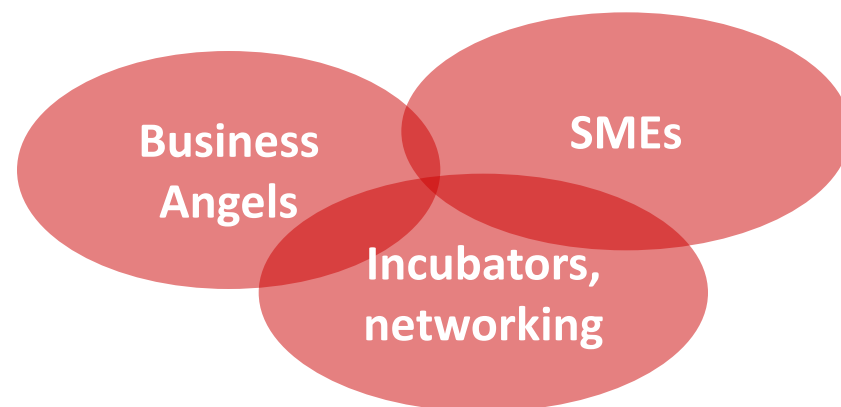
INNOVATIVE ECONOMY
NATIONAL COHESION STRATEGY

Creating the SME investment readiness system

Budget: over **EUR 28 million**

More than **1,100** conferences,
seminars, workshops

More than **60** investments in
companies



NEW: Co-investment scheme



INNOVATIVE ECONOMY
NATIONAL COHESION STRATEGY

Innovation Financial Support Fund – PLN 50 m

Who?

- Micro and small growth entrepreneurs having the investment contract with the capital investor

What and with whom?

Capital investor:

- Business Angel
- Venture Capital Funds
- **Relation of the loan to the investors input: 2:1**

When?

- June 2013

Segmentation of SME sector in Poland

High growth

LEADERS

5%

**CATCHING-
UP 10%**

Close to the global technology frontier
Very high revenue growth
Very high employment growth
Intra or extramural R&D activities
Investment activity
Long-term development plan
Finance: own, debt/revolving and equity

At least technological frontier level
Dynamic revenue growth
Dynamic employment growth
Newest technology absorption, initiating R&D activities
Investment activity
At least medium-term development plan
Finance: own and debt/revolving

Stable enterprises

MODERATE

35%

LIFESTYLE

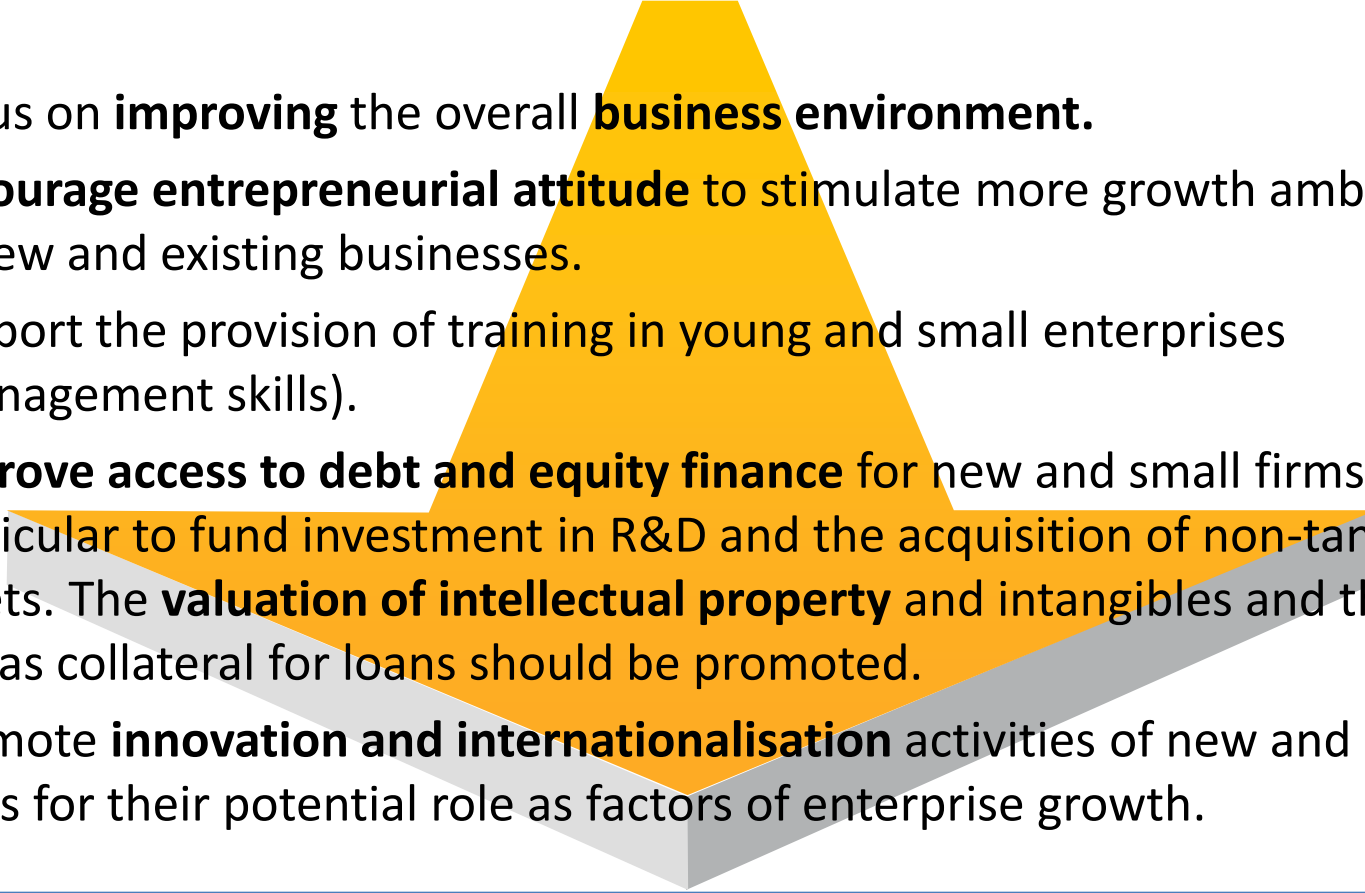
60%

Regional/local level of innovation
Moderate revenue growth
Stable or slow employment growth
Mature technologies absorption,
Moderate and rare investments
None or non-written development plan
Finance: own, sometimes debt/revolving

Technological backwardness
Stability or slow revenue growth
None or initiating employment
Firm-level innovations
None or initiating investments
No development plans
Only own financing

Framework conditions – an ensemble

High growth is the result of a mix of factors and it is normally not to be ascribed only to one reason

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- Focus on **improving** the overall **business environment**.
 - **Encourage entrepreneurial attitude** to stimulate more growth ambitions in new and existing businesses.
 - Support the provision of training in young and small enterprises (management skills).
 - **Improve access to debt and equity finance** for new and small firms in particular to fund investment in R&D and the acquisition of non-tangible assets. The **valuation of intellectual property** and intangibles and their use as collateral for loans should be promoted.
 - Promote **innovation and internationalisation** activities of new and small firms for their potential role as factors of enterprise growth.

Thank you

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