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

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An event of the European Commission
Growth expectations

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)

Growth expectations

High growth enterprises in Poland

Number of enterprises surveyed

Source: Central Statistical Office of Poland, Choosing Entrepreneurship Indicators, December 2012
There is a clear growth in innovative potential and competitiveness of enterprises

39 000 grant applications
-> 11 000 contracts
12 766 jobs created
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>PLN 580 m</td>
</tr>
<tr>
<td>Funds payed to incubators</td>
<td>PLN 340 m</td>
</tr>
<tr>
<td>Incubators supported</td>
<td>43</td>
</tr>
<tr>
<td>Start-ups supported</td>
<td>350</td>
</tr>
<tr>
<td>Planned number of preincubation</td>
<td>&gt;1800</td>
</tr>
<tr>
<td>Mobilised private capital</td>
<td>PLN 280 m</td>
</tr>
<tr>
<td>Planned number of start-ups</td>
<td>&gt;600</td>
</tr>
<tr>
<td>About 30 unsuccessful investments</td>
<td></td>
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</tbody>
</table>
Private investment – the role of angel investments

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

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

<table>
<thead>
<tr>
<th><strong>High growth</strong></th>
<th><strong>Stable enterprises</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEADERS</strong> 5%</td>
<td><strong>MODERATE</strong> 35%</td>
</tr>
<tr>
<td><strong>CATCHING-UP</strong> 10%</td>
<td><strong>LIFESTYLE</strong> 60%</td>
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</tbody>
</table>

### High growth
- 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
- 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

### Enterprises
- Technological backwardness
- Stability or slow revenue growth
- None or initiating employment
- Firm-level innovations
- None or initiating investments
- No development plans
- Only own financing
High growth is the result of a mix of factors and it is normally not to be ascribed only to one reason

- 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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