

## **Austrian Start-up Activities in Knowledge- and Technology-Intensive Areas**

Based on the results of a prior survey of Austrian start-up activities, the recommendation defines five fields of action for which the following recommendations were formulated:

### **1. Education and Further Training**

*The Austrian Council recommends:*

- Placing greater emphasis on business and technology in tertiary education, also by making suitable optional subjects available
- Providing interdisciplinary know-how within the framework of training measures for new entrepreneurs and bundling and communicating such measures in a targeted manner

### **2. Interface Between Science and Industry**

Attitude of the Universities to Spin-Offs

*The Austrian Council recommends:*

- Sending a positive signal to the universities regarding the importance of spin-offs, for example, by providing incentives in the performance agreements or by including them in the university ratings of the Ministry of Science and Research (BMWF)
- Involving Universities Austria in a dialogue on start-ups and patenting, possibly within the framework of the existing working group on patenting

## Technology Transfer

*The Austrian Council recommends:*

- Supporting the use of (interdisciplinary) start-up teams, e.g. partner exchanges or applying the concept of the innovation cheque in the form of a start-up cheque
- Increasing information about supporting measures within the framework of financing intellectual property rights for suitable target groups

## AplusB – Redesign

*The Austrian Council recommends:*

- Increasing the period that start-up projects spend in the AplusB centres from one and a half to two years and, in justifiable cases to three years, with appropriate financial support for the entrepreneurs<sup>1</sup> The aim is to ensure that innovative business ideas can be sustainably established on the market and increase the probability that young companies will survive. This requires sustained assistance for new enterprises up and into the early growth stages. Subsequently, variable support modules need to be developed and implemented for the period after the company has left the centre
- Provision must be made for financing beyond the end of the programme in 2012 in order to safeguard a stable basis for advising knowledgebased innovative new enterprises and preventing the loss of expertise and contacts before the end of the current programme period. The estimated programme costs run to EUR 60 million for a five-year period; how this amount is to be divided between federal government, the provincial governments and project participants has yet to be decided. This sum includes the costs of the AplusB centres and their employees as well as (based on a calculated average rate) the costs for supporting the founders; The Austrian Council assumes that a total of 400 start-ups will receive support

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<sup>1</sup> In exceptional cases, the support period may be extended to two years, however, no additional funding may be provided.

- The cooperation between AplusB and uni:invent within the framework of the planned re design of the AplusB programme once the programme period has ended should be placed on a broader footing
- The Austria-wide AplusB platform should in future ensure greater networking between the centres; this should be achieved by involving the centres to a greater extent
- The range of services offered by the AplusB centres should be expanded to include support for non-academic start-ups with a focus on new enterprise projects from the non-university research sector and the knowledge-based service sector. This should be accompanied by the provision of additional resources. The infrastructure of existing centres should be used to support highly innovative non-academic business startups as well as purely academic spin-offs. The degree of innovation at new enterprises should serve as the main criterion for distinguishing them from general start-ups
- Links to universities and their technology transfer centres should be encouraged above all with a view to obtaining university funding. If necessary, the new programme should be included in the universities' performance agreements
- When developing the programme, consideration must be given to the following points:
  1. Coordination with business representatives
  2. Clarification of the applicable guidelines

### **3. Funding**

#### Direct Funding

*The Austrian Council recommends:*

- Transparency and harmonisation of funding measures between the federal government and the provinces with the aim of creating uniform framework conditions and coordinating key

thematic areas. The goals of the individual programmes and their boundaries to start-up promotion schemes should also be clearly presented

- Creation of central points of contact for founders of knowledge and technology-intensive companies in the regions, e.g. by officially expanding the AplusB centres to include innovative high-tech entrepreneurs with no direct academic background
- Expanding pre-seed and seed funding from hightech companies to cover creative combiners
- Stronger consideration of risk aspects (both development and market risk) in the assessment of funding applications with the aim of transposing the risk aspect from start-up related funding programmes to subsequent funding applications (e.g. FFG General Programmes)

## Indirect Funding

*The Austrian Council recommends:*

- Examining the applicability of international tax models for funding start-ups and young companies; the participation of WIFO should be secured within the framework of the system evaluation and the tax reform

## Follow-up Financing

*The Austrian Council recommends:*

- Securing uninterrupted funding in the sense of a smooth transition from public funding to private sector finance by laying down suitable milestones such as proof of fitness for the capital market, a financing concept, contact with investors etc. in the conditions for funding at later stages of a company's existence

## 4. Social Perception

*The Austrian Council recommends:*

- Awareness-raising measures to establish a positive perception of business start-ups and the role of the entrepreneur in society.

Such measures could include improved marketing of existing competitions, awards and campaigns as well as representative role modelling with various typical and atypical business personalities, and expanding the Start-Up Day to include high-tech start-ups, all in consultation with the relevant ministries and interest groups

## **5. Data**

*The Austrian Council recommends:*

- Regularly and consistently gathering statistics regarding Austrian start-up activities in the knowledgeand technology-intensive sector in cooperation with Statistik Austria. This should be done on the basis of a specific and uniform definition of a company (e.g. NACE Code, research intensity, number of patents)