

POLICY BRIEF #2



WHAT ARE THE TRAINING NEEDS OF GREEN START-UPS AND HOW THE INCUBATOR ACADEMY MODEL CAN SUPPORT THEM?

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EXECUTIVE SUMMARY

I AM GREEN is a Horizon 2020 project, which aims to investigate and develop new approaches to support SMEs, start-ups and other actors within the green innovation ecosystem.

The overall objective is to co-design a widespread incubator and start-up academy model to support entrepreneurs at all stages from business idea design to market penetration, passing through a tailor-made training and incubation path that gives particular attention to sustainable development and ways of “greening” the business.

Research activities have been conducted during the project to answer to the following questions:

- What are training needs and skills gap in start-up entrepreneurship?
- What are the most valuable methods to teach entrepreneurship?
- What kind of support can the I AM GREEN Incubator Academy Model provide to fill in the training gaps?

The answer to these questions has been provided in chapters 3 and 4 of the Design Option Paper (DOP), which represents the main output of the project. The contents of these chapters are described in this document, which aims at offering political decision-makers an overview of the added value of the I AM GREEN model for green entrepreneurs and investors, and what measures can be implemented at a policy level in order to support green start-ups.



1. INTRODUCTION

One of the scopes of the I AM GREEN project is to help the participating innovation agencies improve the services offered to start-ups, including those aiming to empower entrepreneurs who are taking part in an incubation or acceleration programme. This is a very important service and may play a crucial role in the start-up success and capability to attract funding.

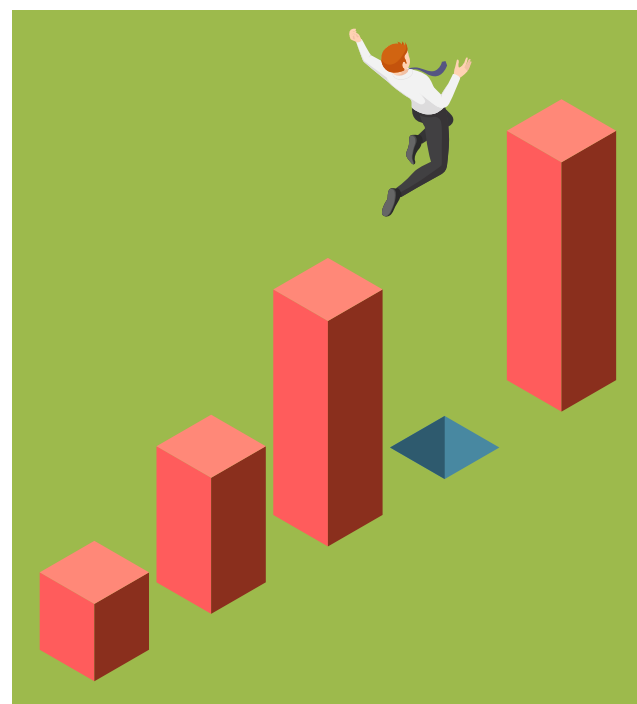
2. APPROACH & RESULTS

Training needs and skills gap in start-up entrepreneurship

The human capital of the founding team is crucial in the early stages of a company lifecycle and is the main factor on which investors choose to invest in a start-up instead of another. The founding team profile makes the start-up credible and gives a reasonable signal about the quality of the idea: high skilled teams have attractive opportunities outside the company, the fact they are investing in their own company as well as the skills they have make success more likely (Bernstein et al., 2017).

Empowering start-up teams may be, then, a key element of an incubation or acceleration programme and it is important to understand how to support companies in developing the skills they need to succeed.

Learning by action should be emphasised, with actions that replicate real business tasks or problems (action-based training). Theoretical framework (theory-based training) is important but should not be too deep and must be included as “action principles”. Action principles are derived from academic literature and scientific evidence and provide guidelines on how to deal with entrepreneurial tasks and showing the optimal approach to follow as a “rule of thumb”.



To develop the right entrepreneurial mindset, action planning is pivotal. Action planning makes it more likely that entrepreneurs start working on their goals. The action plan should not be confused with business plan (economic viability of an action) as it provides a mental simulation of actions, and the sub steps and operational details to attain a goal, including a way to control and direct efforts.

Self-efficacy (namely the individual’s confidence in her or his capabilities to accomplish tasks) is another point that make success of a start-up more likely. Self-efficacy influences the initial choice of activities, the goal level, the commitment, the effort and the persistence.

We can state that three main groups of skill-set should be developed to be a successful entrepreneur:

1. Entrepreneurship skills, that includes soft and transversal skills such as self-efficacy;
2. Managerial skills;
3. Technical skills.

Technical and Managerial skills are easier to train, while transversal skills are more dependent on personal characteristics. Success in entrepreneurial skills is not granted but training may help entrepreneurs to become aware on their limits and take better decisions on which skills should be searched externally, maybe enlarging the company team.



Emerging skills for aspiring entrepreneurs

The European Recovery Plan promoted the transition to a green economy and the digital transition as the two main policy measures to deal with the effects of the Covid-19 pandemic on both economy and society all around Europe. For this purpose, there is a growing awareness at a European level on the promotion of entrepreneurship, and on the importance of effective and suitable education to train future entrepreneurs and make this opportunity viable for more and more people. In particular, the skills that aspiring entrepreneurs are called to acquire can be thus classified:

- Digital skills;
- Financial skills;
- Sustainability skills;
- Entrepreneurial skills.



3. CONCLUSIONS

From the analysis carried out during the project implementation and the tips received by some key actors of the entrepreneurship ecosystem, a number of suggestions have been collected to draw up the I AM GREEN Incubator Academy Model and weave a network of stakeholders capable to effectively support aspiring green entrepreneurs to learn how successfully launch their green ideas on the market.

In this regard, the 5 S conceptual framework for start-up success presented by Prof. John Breslin (National University of Ireland) can be considered as a milestone around which to build an ecosystem for innovative start-ups.

According to this model 5 elements are needed for a fertile innovation ecosystem:

- Spirit: it is what makes people enthusiastic about being an entrepreneur;
- Skills: the method of “disciplined entrepreneurship”;
- Space: a place where start-ups can collaborate, work together, meet people, attend events;
- Support: guidance to get funding and access to regional / national / European opportunities;
- Spondulix: raising money to set the start-ups and let it grow.



4. IMPLICATIONS & RECOMMENDATIONS

The added value of an incubator academy model

Starting from the initial idea shared by partners about the key elements of the widespread start-up incubator and academy model, and thanks to the deeper knowledge acquired during the Twinning Meetings with external experts invites as guests and a further analysis of success stories, the 5 key elements of the I AM GREEN Academy Model have been described in more detail:

- Attraction/Scouting of valuable start-ups, business ideas, talented entrepreneurs or aspiring ones: the Academy should intercept and support promising and innovative start-ups “with a vocation to green economy and sustainability” by helping them to convert their ideas into concrete entrepreneurial initiatives, and to resolve all organisational, operational and strategic issues. Once the business idea is validated by experts from the Academy, conditions and needs to implement it should be investigated.
- Needs Analysis: by entering the Academy entrepreneurs and start-up managers should have checked their needs in terms of training, facilities, finance and other key issues in order to develop and implement a tailor-made Education & Training programme and then the Incubation process;
- Education & Training programme: several courses on both soft and hard skills should be implemented with a multidisciplinary or vertical approach, thus answering to different training needs;
- Incubation programme aimed at helping start-ups navigate the process of taking their idea to market. It should promote relationships between new businesses, the job market, companies and investors, combining acceleration services with specific skills aimed at launching the business concept on the market. It should also support the initial development of the start-ups by providing them with pilot operations, R&D support, business development services, marketing and accounting assistance, support from professionals and consultants, access to networks in the business and credit industries, as well as dedicated offices, shared spaces and IT facilities in collaboration with companies, which should make their laboratories, know-how and by-products available. In an industrial symbiosis approach, they can become raw materials for the innovative start up.
- Peer-learning methodology for activities among start-ups with the Participatory Design (PD) approach: representatives of start-ups from different economic sectors of the same value chain or with potential implementation of industrial symbiosis mechanism meet in a round table with the aim of finding innovative solutions, opportunities and resource to boost the respective businesses. This methodology would enhance social learning and create a peer community of entrepreneurs.



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