

## **Theses on the promotion of Germany as a location for entrepreneurship**

The “Denkfabrik Gründerhochschule” is a think tank comprising members from ten universities and institutions of higher education (hereinafter “universities”). Its aim is to develop and strengthen Germany as a location for entrepreneurship and to assume a leading role with regard to universities’ work in this field. In the first round of the competition “Die Gründerhochschule” in July 2011, the ten universities successfully impressed the jury from the Federal Ministry of Economics and Technology with their concepts for start-up support.

As part of the “Denkfabrik Gründerhochschule” initiative, the following universities have joined forces to develop positions and theses aimed at advancing Germany as a key location for entrepreneurship: Technische Universität Berlin, Carl von Ossietzky University of Oldenburg, Munich University of Applied Sciences, Heinrich Heine University Düsseldorf, Martin Luther University Halle-Wittenberg, Friedrich Schiller University Jena, Technische Universität München, Ostfalia University of Applied Sciences and the University of Potsdam.

### **Our understanding of entrepreneurship**

Entrepreneurship is an orientation towards business, both in terms of mindset and actions, that can be formed in the course of personal growth and development. This orientation adds value to society, above and beyond the establishment of start-ups. Society is, after all, constantly changing. Today, entrepreneurial skills are essential across all areas, enabling us to deal with the challenges of the modern working world, increase innovative strength and shape societal change.

Universities in particular play a central role with regard to imparting and promoting entrepreneurial skills among a wide target group. They conduct entrepreneurship research, incorporate the topic into their teaching on a broad scale, and offer practical start-up support. At the same time, they encourage an entrepreneurial culture among students, academics and staff. Universities therefore have the challenging task of both conveying the principles of entrepreneurship and of providing good practice examples illustrating how to implement this paradigm within society.

### **Culture of utilisation as a precondition for innovative start-ups**

Promoting start-ups on the basis of the knowledge and technologies available at universities requires a culture of utilising and developing research results. The institutions and people working within research, teaching and administration therefore need to have established such a culture and be positively inclined towards it. In this respect, transparent rules and effective service structures for the transfer of knowledge and technology, as well as incentives and career-promoting or profile-raising opportunities, are of crucial importance. Only by means such as these can we succeed in stimulating and strengthening a culture of utilisation. A further aspect for consideration is the fact that the unbiased analysis of technical fea-

sibility and economic potential is risky and thus rarely an attractive option for private investors. Public support programs that do not specify a particular technological field are therefore of crucial importance here. Such programs close the financing gap that exists between scientific research that yields useful results and market viability from a product development perspective. Existing and proven support programs must therefore be continued and expanded upon.

### **Development of early-phase financing for innovative company start-ups**

Compared with other European countries, Germany still has a significant lack of financing options for start-ups seeking to enter the national and international market. This is particularly apparent in the financing sector between EUR 50,000 and EUR 250,000, i.e. between the amounts offered by a main bank and those offered by venture capitalists. Current instruments, which include venture capital, High-Tech Gründerfonds and the European Investment Fund, do not apply here.

Additional financing instruments should serve to close existing gaps in early-phase financing. We also call for the continued fostering of the “Business Angels” culture, both through additional incentive systems and through marketing with role models. The aim here is to create a culture in which investments in ideas and start-ups are viewed as positive and thus desirable.

### **Incentives for networks and collaborations**

Start-up companies, freelancers and intrapreneurs will be increasingly acknowledged as the driving forces behind innovation and behind economic, social and cultural advances. Setting up collaborations and networks with established companies and universities will create synergies that unite the diverse strengths of all involved. This requires an entrepreneurial culture within established companies, as well as a capacity for external openness, or open innovation. In order to allow start-up teams to establish themselves in the market more quickly and easily, the right conditions need to be created. We also need to promote strategic collaboration with established companies using incentive systems and qualification programs, and break down barriers for potential customers. This would enable young companies to develop more quickly, established companies to increase their innovative strength and numerous new open innovation business models to be established. Existing technology transfer programs should therefore also foster the emergence of start-ups and the development of inter-company collaborations.

### **Marketing campaign for a technology and knowledge-based start-up culture**

Technology and knowledge-based company start-ups within the academic sector are of great significance for Germany’s future as a business location, but this is not sufficiently visible to most of the general public. Establishing an innovation-driven start-up culture is not merely a matter of addressing particularly promising business-minded students at universities. A Germany-wide marketing campaign led by the German government would contribute to increas-

ing the acceptance in society of start-ups from the field of academia, and to establishing an innovative start-up culture at universities themselves.

The message of this marketing campaign should focus on the importance of an entrepreneurial mindset and approach. Moreover, it should also substantiate the following by using examples from academia:

What innovative products and services have their roots in universities?

Which entrepreneurial figures come from the academic field?

In this way, the campaign would show that investing in agile minds and innovative business ideas is a highly worthwhile undertaking, also for investors from the wider public.

### **The promotion of entrepreneurship as an official task of universities**

The crucial role that universities play in promoting entrepreneurial spirit within society has up to now been at odds with the quantity and consistency of available resources. The time limits placed on state support programs result in discontinuity with regard to developing an entrepreneurship culture at universities, and this is damaging. Such time limitation leads not only to the risk of having to discontinue promising programs, but also to the risk of using too many resources during the program term in order to procure further financial support from third-party funding. This in turn diverts attention from the program's actual objective.

In order to ensure a sustainable, start-up-friendly range of teaching and advice, as well as intensive start-up-based research, we need to see the promotion of entrepreneurship established as an official task. As such, it should be firmly incorporated into universities' target agreements. In the long-term, this would of course necessitate an additional budget – one that corresponds to the significance of the topic. Universities should be given free rein regarding how to structure the task in organisational terms. Only in this way can universities ensure they retain exceptional staff in the long term and are able to focus on their core tasks. Moreover, resource distribution should be performance-based. This not only also gives newcomers the opportunity to participate, but also serves to promote motivation and to sustainably establish excellent programs.

The “Denkfabrik Gründerhochschule” seeks to enter into dialogue with decision-makers at federal and regional levels in order to incorporate the experiences of the EXIST-supported start-up universities into the development of further entrepreneurship programs.