

# Executive Summary

## Regional start-up environments exemplified by selected hotspots

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## **Executive Summary**

In order to examine regional context factors of entrepreneurial activity, we analysed start-up ecosystems in five selected regions in Germany via qualitative interviews with start-up founders and stakeholders.

### **Higher education institutions offer various locational advantages, especially if they cooperate closely with regional stakeholders**

Higher education institutions have a fostering effect on the regional start-up activity. Their infrastructural and institutional support for (prospective) entrepreneurs and for the technology transfer complements the human and social capital accumulated within the institution. Especially the highly qualified individuals are a crucial part of a flourishing entrepreneurial ecosystem, as potential founder as well as potential staffers for start-up founders. However, the beneficial effects of institutions of higher education for the region come to full effect within close cooperations with regional stakeholders and their contribution to tying the highly educated young people to the region.

### **Regional support programmes unfold their full potential by bundling the support offers and cooperating with adjacent suburban areas.**

In all analysed regions there was a comprehensive amount of support programmes for nascent entrepreneurs. However, only in areas, where facilitators and stakeholders of start-up activities cooperated closely and bundled the support opportunities within one stop shops created locational advantages for the region. Support systems on a small-scale can lead to redundancies and also oversupply of support for urban area and an undersupply of the surrounding suburban areas. Therefore, cooperations between the urban centres and the surrounding regions or between rural regions and branches respectively should be focused by regional policy makers and promoters of regional economic development.

### **Infrastructural aspects can cancel out their positive effects**

Urban regions usually provide comprehensive infrastructures of human capital, transportation as well as high-speed internet connections, but also have a shortage of business accommodations, which are often very expensive. The surrounding suburban areas could exploit their locational advantage here by offering room for creative work and coworking spaces. Such a decentralised distri-

bution of start-ups would include the surrounding region into the start-up milieu and hotspots.

### **Cooperation between established businesses with start-ups support regional entrepreneurial activity**

Established businesses can take substantial part in the creation of a start-up friendly environment in the region by supporting start-ups financially, as mentors or advisers. On the other hand, the established companies profit from the creativity and innovations of start-ups. The lack of venture capital in many regions in Germany also emphasizes the importance of strong ties between start-ups and established businesses in a region as well as the involvement of established entrepreneurs in start-ups within a region.

### **Historical values and traditions of a region coin the start-up climate**

Regional values and traditions that developed over generations have a significant impact on the individual entrepreneurial propensity and activity. Contrary to infrastructural and market-related aspects of entrepreneurial ecosystems, cultural aspects cannot be changed on a short term, but only over a long period of time including more than one generation. Therefore, it is crucial to raise awareness for entrepreneurship as early as possible. Furthermore, positive entrepreneurial role models can foster entrepreneurial propensity and over time the entrepreneurial culture in the region.

### **A high life satisfaction and cultural diversity tie talents and start-up founders to the region**

A rich supply of cultural and educational offers in a region as well as cultural inclusion increases the attractiveness of the region as well as its innovation activity. Economically strong regions with well-developed infrastructure and high living standards keep talents in the region.