I HAVE BEEN DOING

• Building Startups
  • MobiComp - acquired by Microsoft
  • iMobileMagic - acquired by SmithMicro
  • ASAP54/Fashion Concierge – acquired by Farfetch
  • Automaise, Peekmed, Cardmobili, Skyüber, ebankIT, …
• Large Company (Microsoft)
I HAVE BEEN DOING

- Secretary of State for Entrepreneurship, Innovation & Competitiveness @ Government of Portugal
- European Innovation Council HLG @ European Commission
- Venture Capital (Pathena and Angel investor)
- Accelerator & Incubator – StartupBraga
- Senior Advisor/Non Executive Director
- Speaker
OUTLOOK OF THE INNOVATION LANDSCAPE IN EUROPE
KEY ISSUES PREVENTING EUROPE TO EXPLOIT ITS FULL POTENTIAL

Innovation performance

Lack of creation and diffusion of breakthrough innovations, means low productivity growth.

Innovation transfer

A world leader in science, but underperforms in transferring science into innovative companies (co-creation is the right word!)

Innovation scale-up

Lack of risk finance for scaling up innovative companies. Valley of death.

Source: EU Commission
MARKET-CREATING INNOVATION: SOME EYE-CATCHERS
BASED ON WIPO, MIT, WEF, OECD, HARFORD, ETC.

Global top-5:
Apple, Alphabet, MS, Amazon, Facebook

Source: EU Commission
THE GOOD NEWS: MANY EU COUNTRIES DOING WELL IN START-UPS

Source: OECD Entrepreneurship 2017 fig 4.4
THE GAP IN VENTURE CAPITAL BETWEEN EU AND US

Source: Venture capital raised. Data: Invest Europe, NVCA / Pitchbook. (1) EU does not include HR, CY, MT, SI, SK.
Much of the investment in young European Deep-Tech Companies comes from the US Tech Titans.

**Amazon**
- Cloud9 IDE (NL)
- Colis Prive (Fr)
- NICE (IT)
- Ivona Software (PL)
- Gamesparks (Irl)

**Google**
- Moodstocks (Fr)
- Hark (UK)
- Digisfera (PT)
- Thrive Audio (Irl)
- Deepmind (UK)
- Spider.io (UK)
- Limes Audio (Sw)
- VocalIQ (UK)
- Semetric (UK)
- Metaio (De)
- Regaind (Fr)
- SensoMotoric (De)
- Beddit (Fi)
- indoor.io (Fr)
- Shazam (UK)

**Facebook**
- Two Big Ears (UK)
- Surreal Vision (UK)
- Moves App (Fi)
- 13th Lab (Sw)

**Microsoft**
- [Skype (2011, Sw)]
- Solair (IT)
- SwiftKey (UK)
- 6Wunderkinder (De)
- Open Build Serv (De)
- Donya Labs (Sw)

Source: Tech.EU, Dealroom, Atomico 2017
HORIZON 2020 HAS INTRODUCED SUBSTANTIAL INNOVATION SUPPORT, BUT SHOULD DO MORE FOR BREAKTHROUGH INNOVATION

- Horizon 2020: first Framework Programme to integrate innovation
- Over €1 billion per year for innovation
- But unattractive to breakthrough innovators:
  - Complex to navigate, prescriptive
  - More designed for R&D projects with long-term road maps
  - Weak link to private equity

Source: EU Commission
WHY DO WE NEED AN EUROPEAN INNOVATION COUNCIL?

The challenge

To make Europe the global leader in innovation

There is a lack of private finance for innovators and scale-ups in Europe, in particular equity. Total equity funding gap in Europe – about €70 billion (2020).

Innovators need support to bring their ideas to a stage where they can attract financing from private-sector investors.
Europe is back: ACCELERATING BREAKTHROUGH INNOVATION

Funding – Awareness – Scale – Talent (F.A.S.T.) recommendations of the Independent High-Level Group of Innovators for the establishing of a European Innovation Council
THE HIGH LEVEL GROUP OF INNOVATORS FOR THE EUROPEAN INNOVATION COUNCIL

Nicklas Bergman  
Martin Bruncko  
Paddy Cosgrave  
Gráinne Dwyer  
Hermann Hauser  
Marjolein Helder  
Taavet Hinrikus  
Ingmar Hoerr  
Bindi Karia  
Jana Kolar  
Carlos Oliveira  
Jim Hagemann Snabe  
Kinga Stanislawska  
Constantijn van Oranje  
Roxanne Varza
THE RECOMMENDATIONS

Funding: empower the innovator, simplify, incentivise private investment

1. Simplify current schemes into a small set of “EIC Awards” (grants and other forms of funding) supporting the emergence and the scaling up of breakthrough market-creating innovation
2. Enable grants, loans and equity investments to be awarded in combination
3. Create a EIC advisory board to put the focus on the innovator
4. Change evaluation, selection and management to enable risk taking and flexibility
5. Design websites, application forms, etc., with innovators’ needs uppermost

Awareness: champion innovators, communicate success

6. Set up comprehensive monitoring and information systems that combine data from EIC with other sources
7. Collect and make available intelligence on emerging technologies coming from national and EU programs
8. Communicate success stories
THE RECOMMENDATIONS

Scale: build the camp, leverage European ecosystems

9. Help EIC awardees access high-quality partnerships and networks across Europe
10. Continue improving access to risk finance for innovators
11. Partner and share practice with other innovation agencies and programmes
12. Help EIC Awardees overcome regulatory barriers and improve the early identification of regulatory barriers for emerging technologies

Talent: connect people, create prestige for innovators

13. Introduce prestigious “EIC fellowship” to recognise leading innovators
14. Pair up EIC awardees with experience peers
SOME OF THE INSTRUMENTS

Pathfinder

> supports future and emerging breakthrough technologies with a one-off grant

> a project can apply for Accelerator funding as it matures

Accelerator

> provides blended finance (grants plus loan/equity) of up to €15 million or more

> bridges the financing gap between late-stage innovation activities and market take-up
THE BUDGET

Investing in innovators and innovative companies

€10 bn proposed for EIC in Horizon Europe (2021-2027)

€2.7 bn for EIC pilot in Horizon 2020 (2018-2020)

Funding is for high-risk breakthrough innovation with the ability to disrupt existing markets and create new markets, in particular where markets do not provide viable financing.
Expected impact

Pathfinder
(from early technology to pre/early commercial)

Accelerator
(from pre/early commercial to market & scale-up)

More innovations that create the new markets of the future

Scaled up companies and higher SME growth

Increased complementarities between grant-type funding, financial instruments, and leverage from private investment

More entrepreneur-ship and risk-taking

More accessible and user friendly support to innovation

SOME OF MY LEARNINGS
MY LEARNINGS AS A SERIAL ENTREPRENEUR

- Companies need to solve a problem
- Companies need customers
- Companies *might* need financing
- Companies need an *exit strategy*
MY LEARNINGS

• Being an entrepreneur is **not** about the idea! It’s all about **execution**!

• Things don’t happen **suddenly**, they happen **gradually**.

• A winning **team** is almost everything!

• The importance of a real **board of directors**, mentors and advisors.

• Often more than funding you need **experienced people** that will make you leapfrog by avoiding the mistakes they did!

• The importance of the first **customer**, and the second and the third (Sell, sell, sell) …
MY LEARNINGS

• Don't go with the flow! Challenge yourself to the limit and think that you can be very successful without being an WhatsApp or a Facebook - these cases inspire us and are great.

• Excel is just a tool, **doesn't create the reality**! But it can help ;) Don’t create an unrealistic business plan to convince investors and then get convinced yourself that it’s real.

• Have an **exit strategy** in your head and aligned with your investors.

• The **world is not balanced**! And will never be, so don’t lose time trying to balance it.

• Know when to bet and when to stop losses! (hard one!)