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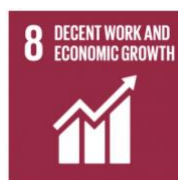


Entrepreneurship and Business Incubation in the Province of Limburg (NL)

The Case of Starters Valley Maastricht and its contribution
to the SDG's

Daniel Csúr



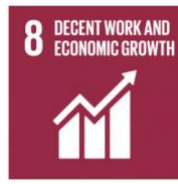


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1. Introduction

Entrepreneurship is one of the key drivers of every economy and thus the global economy on various levels (European Commission, 2018b). Looking at entrepreneurship from a science, technology & innovation (STI) point of view businesses are one of the key drivers of demand-driven policies that aim for successful idea development, innovation development & innovation diffusion.

This paper is divided into 7 parts each delving into a specific sub-topic. Part 2 & 3 will firstly examine the importance of business and start-up incubators for the society and they will establish the relevance of business incubators towards the Sustainable development Goals (SDGs).

The fourth part will set the context of Limburg and Maastricht as a business and innovation hub with a set of facts and statistics for a better understanding of the environment.

Part 5, 6 & 7 will examine the case of Starters Valley as a business incubator in Maastricht, the Netherlands and its contribution towards the SDGs using real-life examples. Finally, the paper will end on a note of the future of business incubators in our societies in fostering partnerships and building synergic relationships.

2. Background

By having more than 99% of all European businesses as small and medium enterprises (SMEs) (See Figure 1) in all European countries, this creates a wide sphere of influence on different levels of policy-making around Europe (European Commission, 2018b). SMEs provide two out of three of the private sector jobs (about 65 million people) and contribute to more than half of the total value-added by businesses in the EU (European Commission, 2018b). The European Commission sees SMEs as a backbone of the European economy, contributing to wealth and economic growth, next to their role in innovation and R&D (2018b).





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	Enterprises		FTE		GVA	
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Cyprus	46 139	99.9	224 915	:	7 864	:
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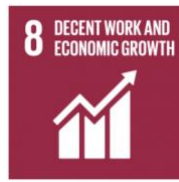
Figure 1: Percentage of Small and Medium Enterprises (SMEs) in European economies (Eurostat, 2012) For full table see Appendix 1

Business Incubators play an important role in the development of innovative new ventures and diffusion of innovation. If the Netherlands aims to contribute to the achievement of the Europe 2020's strategy, where the ambition was formulated to make the European Union the most competitive and dynamic knowledge-based economy in the world until 2030, these organisations have to be at the core of the economic transformation (European Commission, 2018a). At the moment the business & start-up incubator community in The Netherlands is well differentiated, but the majority of the incubators are less than ten years old, with most of them being <5 years old.

3. Why are business incubators relevant for the SDGs?

The Netherlands also has to work towards achieving the Sustainable Development Goals (SDGs) to be able to be held accountable towards its global promises. Building an eco-system for entrepreneurs & social entrepreneurs whose mission is through their technological, economic and social advancements to contribute towards the achievement of the SDGs (UNDP, 2018). Incubators globally generally contribute towards the establishment of





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entrepreneurs that contribute towards the SDG 8 in a form of creating added value resulting into economic growth and decent work. They also contribute to the SDG 9 in a form of fostering innovation and enabling industry and infrastructure to grow and feed into other SDGs. Finally, it will be discussed later business incubators are one of the most effective tools to foster dialogue, build partnerships (SDG 12) and create synergies that as seen on *figure 2* contribute towards the achievement of other SDGs equally, because the achievement of any single SDG is possible only through collaboration of regions, nations, cities and citizens and a wide range of actors.

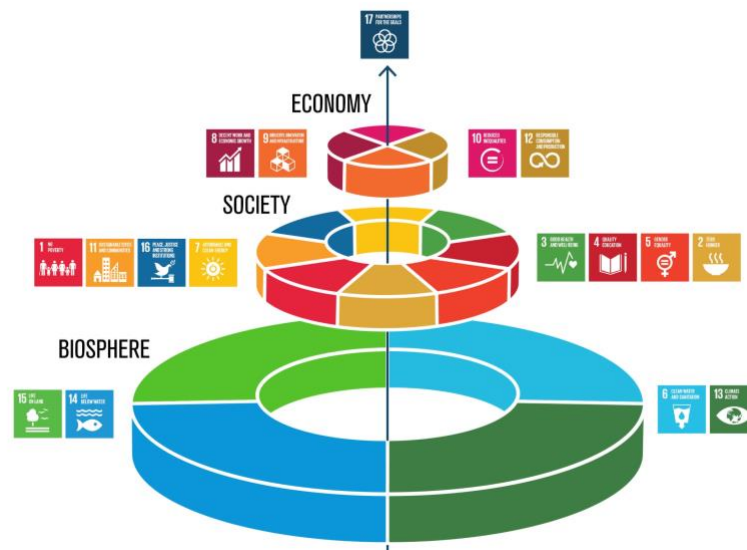
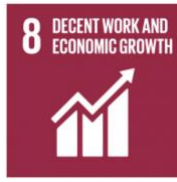


Figure 2: The structure of the Sustainable Development Goals (UNDP, 2018)

4. Entrepreneurship in the Province of Limburg & the City of Maastricht

To bring Europe back to growth and higher levels of employment, Europe needs more entrepreneurial spirit and an increase in the number of entrepreneurs (European Commission, 2018). The Euregion Maas – Rhein (For map see Appendix 1) is one of the most productive regions of the EU with almost 4 million people and 5 universities and a GDP of 109 bln. EUR (See Figure 1) (Province of Limburg, 2017). In Limburg 75% of the growth located in the municipal areas mostly connected to the growth of SMEs and start-ups are a result of cities





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and urban agglomerations attracting talent and knowledge providing the mobility on the labour market and business environment (Province of Limburg, 2017).

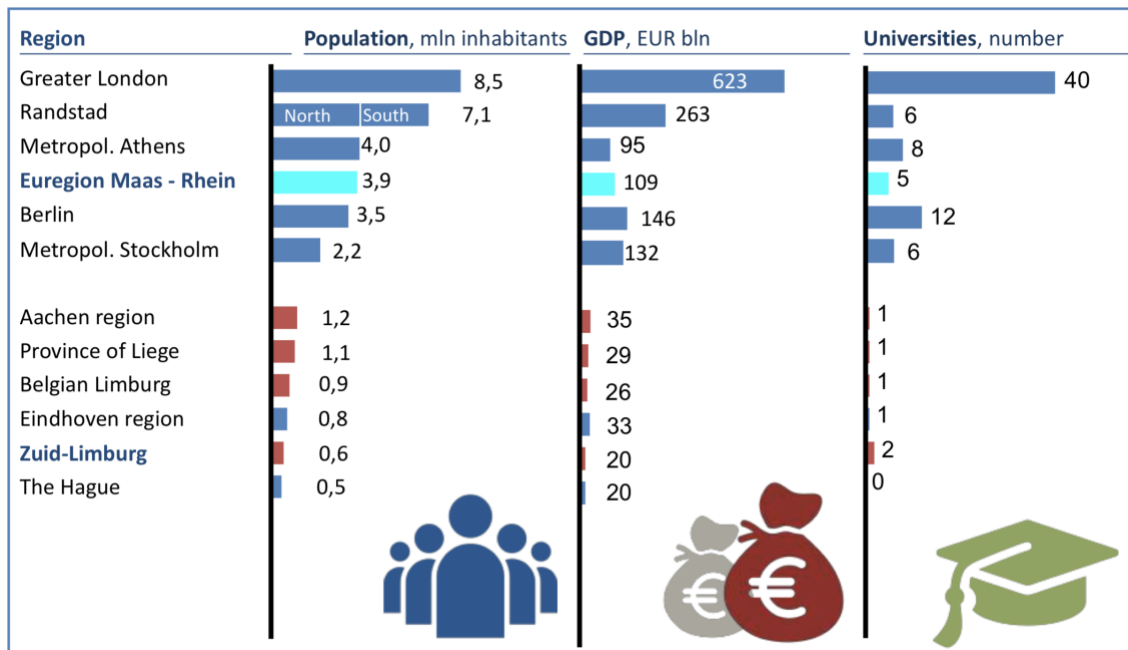


Figure 2: The population, financial capital and number of universities in different Regions. (Province of Limburg, 2017)

This financial and demographic evolution however leaves the Province of Limburg with Several challenges and opportunities that are targeted as a part of the 2020 strategy. (Province of Limburg, 2017). The province has therefore mapped the challenges and opportunities of Limburg which is also to a significant extent applicable to the city of Maastricht (Figure 3).



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Challenges ...

- Limited employment mobility
- Mismatch supply & demand in employees market
- Low labor participation
- National borders limit open market, co-creation and innovation
- National borders cause different Laws/Regulations/adm. practices
- Ageing population
- Imago
- ...

... Opportunities

- Potential GDP Growth
- Superior knowledge position
- Critical mass
- Triple helix collaboration
- CBRIS (Cross Border Regional Innovation Strategy)
- Transnational ecosystem
- Cultural diversity
- Geographical embedding
- ...



Figure 3: Challenges and Opportunities of the Limburg province (Province of Limburg, 2017)

Despite the Challenges the Region of Maas-Rhein has been increasing its innovation potential and the number of cutting edge technologies has been increasing over the last 15 years. The number of patents rose from below 6 000 in 2000 to over 11 000 in 2015 with the share of the cutting-edge technologies increasing over 6 times (Figure 4).

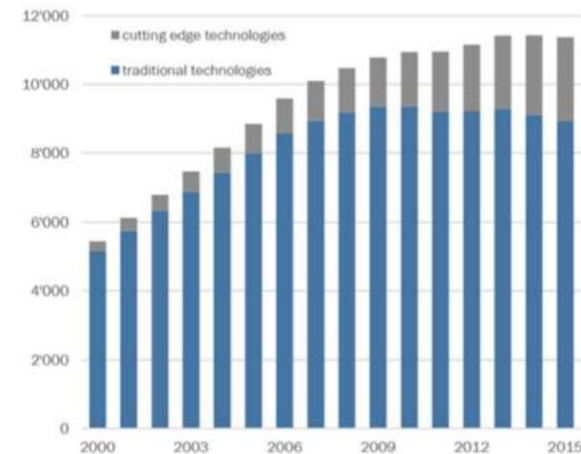


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Preliminary Technology Analysis in the Euregio Maas-Rhein

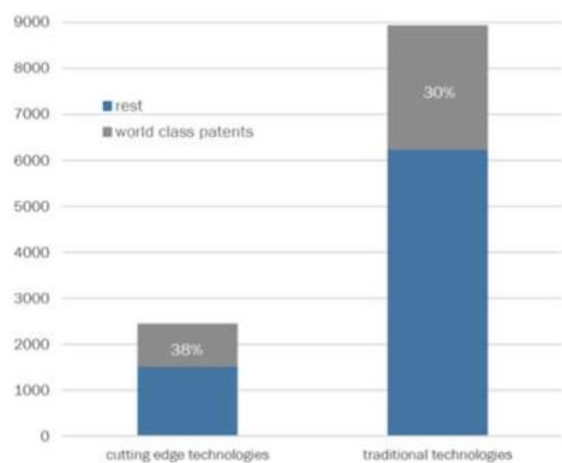
Cutting edge technologies with sharp increase in recent years and higher share of world-class innovation than in traditional technologies

Cutting Edge vs. Traditional Technologies in Maas-Rhein



Number of Patents in 2015 in traditional technologies (Wipo definition) and 40 BAK cutting edge technologies in Euregio Maas-Rhein

World-class innovation in Maas-Rhein in 2015

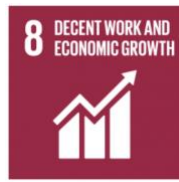


Quality of innovation measured on the basis of the technological relevance of each individual patent in the region, with the top 10% patents in each technology defined as world-class patents.

Figure 4: Preliminary Technology analysis in the Euregio Maas-Rhein (Province of Limburg, 2017)

Analysing further on a higher granularity on a municipal level the city of Maastricht with its 120 000 inhabitants, historical significance and it's central location is plays a key role in the development of the wider region. Maastricht University as the biggest educational instituion with its 16 000 students where 56% being from other countries than Netherlands and an endowment of 378 million the University plays as a key partner in educating entrepreneurs and future start-up owners and contributing with a wide-range of research (University of Maastricht, 2013).

The effort to connect state, businessess and education has been a long-standing goal and challenge for the region. The Triple Helix Agreement resulting into Brightlands of 600 million Euros that includes the education and research sector represented by the Maastricht University, the public sector represented by The Province of Limburg and Private sector that euqually contribute towards developing the region into an internationally competitive environemnt where business & society flourishes.



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This has lead to the business environment understanding the synergies in supporting entrepreneurs and establishing business incubators and support centers for starting enterprenerus.

The coalition agreement signed in 2014 also puts the support of entrepreneurs on their agenda. “It is visibly creative, innovative and enterprising, full of innovative forms and places of culture and contemporary entrepreneurship.” (Municipality of Maastricht ,2014).

It further specifies, that “Innovative approach to supporting enterprise and talent, e.g. by setting up incubators for creative entrepreneurs” should be supported and that Entrepreneurship in a key priority of Maastricht’s development (Municipality of Maastricht 2014).

Setting up an incubators for startups and small businessess that provide a key eco-system and supporting network in the topics of financing, knowledge and growth and therefore in the recent 5 years 4 incubators have been set up in the city of Maastricht and this number is further increasing. Part 5 is therefore going to look at a specific case of Starters Valley as an example of an innovation that contributes to the well being of the society and further advances the synergies that different actors have been building.

5. Entrepreneurship in Maastricht – The Case of STARTERS VALLEY:

Starters Valley is a business, social enterprise & startup incubator of currently ~1000m² and a community centre established in 2016 with an aim of “establishing a support eco-system that with its networks, spaces, financial connections, and knowledge can support starting entrepreneurs in their jounrey towards scaling up and becoming successful”. As a part of analysing the case study Nando Ngandu who is the Co-Founder and investor of starters Valley has been interviewed on the 30th of May 2018 to gain further insights into their mission, motivaiton and activities who’s statements will be further referenced.





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“The major benefit of Starters Valley to Maastricht’s innovation strategy is very simple. Maastricht in itself is really a hub, it's an attraction space, it is very geographically well located. The first factory in the Netherlands started here in Maastricht, however you can have every year 20-30 thousand qualified people coming to the region yearly but if there are not enough support systems for their ideas and businesses they leave and take away their potential, knowledge, skills and networks to other places. If we find only 1% who can stay it's really an amazing contribution towards growth to have and that's why we have to work on it. If you can find a place where all the stakeholders are coming together all live and contribute it's a win-win game. The Entrepreneurs start their businesses, the municipality retains talent, the university get companies that can implement their ideas into practice, and the government gets paid taxes and this is our major benefit to the society and in the end everybody wins and everybody is happy.”



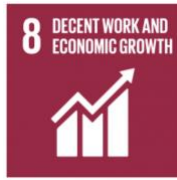
Photo 1: The Interior of Starters Valley Located on the top floor of the Entre Deux shopping mall

(Author's photo, 2018)

The major roadblock that entrepreneurs face when starting their business in Maastricht is lack of funding, high living costs, lack of necessary networks, lack of information on entrepreneurship, lack of accessible office space and guidance. Starters Valley therefore aims to tackle these problems and provide solutions for the community of entrepreneurs.

As seen on *Figure 4*, Starters Valley has decided to map the main challenges faced by entrepreneurs in the city of Maastricht and wider region and provide a tailor-made solution





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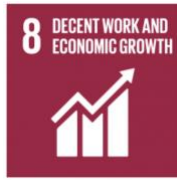
to their needs to ease their access to market, funding, knowledge, networks and unlock their growth potential.

Main Challenges faced by start-ups and small entrepreneurs in Maastricht	Solutions that Starters Valley provides
<ul style="list-style-type: none"> • Lack of funding • High living costs • Lack of necessary networks • Lack of information on entrepreneurship • Lack of accessible and flexible office space • Lack of external motivation and guidance 	<ul style="list-style-type: none"> • Connecting entrepreneurs with potential investors • Financial support schemes • Networking events • Courses on entrepreneurship • Flexible and affordable office space available for rent also for a short period of time • Guidance and coaching of starting entrepreneurs

Figure 4: *Starters Valleys' Analysis of Challenges and Solutions of start-ups faced in Maastricht (Source: Interview with Nando Ngandu)*

The Role that Starters Valley plays in the science, technology, innovation policy strategy framework of Maastricht is mainly aimed on creating synergies through supporting starting entrepreneurs in various forms building a community of enthusiasts.

“We attract more of the young entrepreneurs, who want to open their businesses or those who have already passed the start-up phase. From book-keeping to services and website designers you can find entrepreneurs of different kind. If you need a bookkeeper you need a website, if you have a bookkeeper, you need a website, we are often the facilitator of deals, because the young generations are more aware, of all these opportunities and we connect them. Today Information is more accessible than any other time and that’s why we create to promote the information exchange locally so business & society can both benefit. “ (Ngandu, 2018)



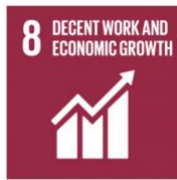
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This approach towards positively exploiting synergies has been used in numerous cities and provinces of the Netherlands with a relatively high success rate. The number rose from 5 in the 2000's to 68 registered by the Dutch Incubation Association with this number further increasing (2018). Starters Valley also acts as a creative space utilising recycled materials for furniture using a part of its space as a creative exhibition space connecting art talent with potential investors and partner businesses.



Photo 2: Exhibition in Starters Valley (Author's photo, 2018)



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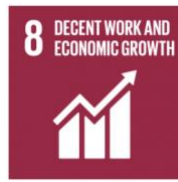


Photo 3: Using Recycled materials as furniture (Author's photo, 2018)



Photo 4: Recycled materials Internal Design of the Starters valley Incubator Image 1 (Author's photo, 2018)





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6. STARTERS VALLEY and the SDGs:

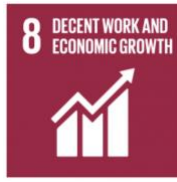


Entrepreneurship brings creative ideas that are being put into practice to generate added value for the economy, environment & society (UN, 2018). The highest contribution towards the SDGs according to its Co-Founder Nando Ngandu is bridging communities, businesses, social entrepreneurs through building partnerships (SDG 17) and exploring synergies that can contribute towards their growth and impact in their societies through creating added value. This added value contributes towards achieving the SDG8 in enabling economic growth and contributing towards better working conditions also hand-in-hand with contributing towards the SDG 9 in fostering innovation and developmental infrastructure.



Looking further however in their offices full of recycled bottles used as a filler for furniture or EUR-pallets used as tables, basis for coaches or wall decoration and using materials after its life to decorate the spaces (*See Photo 1, 3, 4*) we can see a clear contribution towards establishing a community of circular-economy minded people that will be inspired to implement the ideas of circular economy (primarily SDG 12) into their business models, save costs & the environment. Having one institutions contributing to such a strong extent towards the SDGs gives hope for the future in a form of more agile, growing & responsible businesses and social enterprises that by themselves contribute towards the SDGs on larger scales in their organizations.





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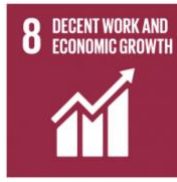
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7. Conclusion

To conclude Starters Valley is a prime example of how innovative, environmentally friendly solutions & building new business & social entrepreneurs communities can lead towards a set of strong positive examples for the city of Maastricht, the Province of Limburg and European companies. In connection to the Sustainable Development Goals and Europe's 2020 strategy Starters Valley sets a new set of standards in contributing towards social change, economic growth, innovations, circular economy and building communities and partnerships on different levels with a wide-range of state, non-governmental, educational & business actors towards providing a more-sustainable connected way of life contributing to several SDGs at the same time.

Finally, towards the future the UN should actively promote institutions that are making a strong positive change as prime examples towards inspiring other businesses, social enterprises and communities towards the full implementation of SDGs in the local communities so the world can have a more sustainable way of life.





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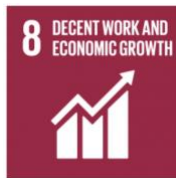
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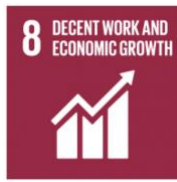
9. Appendices

Appendix 1: Map of the Euregion Maas - Rhein (Province of Limburg, 2017)



Appendix 2: The Share of SMEs in the European economy in EU28 member states (European Commission, 2018)

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Poland	1 519 904	99.8	8 326 839	68.9	171 627	50.1
Portugal	793 235	99.9	2 942 895	:	66 360	:
Romania	425 731	99.6	3 837 868	66.4	48 432	:
Slovenia	119 644	99.8	574 479	72.3	17 140	62.8
Slovakia	398 392	99.9	1 417 228	69.7	32 922	60.5
Finland	226 373	99.7	1 457 599	63.0	86 957	59.6
Sweden	661 822	99.8	3 025 006	65.4	210 859	58.5
United Kingdom	1 703 562	99.7	17 784 620	53.0	1 037 293	50.9
Norway	278 899	99.8	1 510 838	67.6	230 661	58.6



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Appendix 3: Internal Design of the Starters valley Incubator Image 1 (Csur, 2018)



Appendix 4: Internal Design of the Starters valley Incubator Image 1 (Author's photo, 2018)





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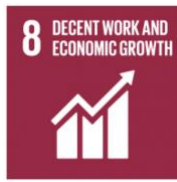
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Appendix 7: Internal Design of the Starters valley Incubator Image (Author's photo, 2018)



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