



**PROMOTING THE EARLY STAGES OF THE
START-UP COMMUNITIES CONCEPT**



Lifelong
Learning
Programme



SOSYAL VE
BEŞERİ BİLİMLER
FAKÜLTESİ



EĞİTİMDE GİRİŞİMCİLİK VE İNOVASYON DERNEĞİ

1. **Do you consider that your country is advanced in the area of entrepreneurship?**

Turkey is a developing country in the area of entrepreneurial activities. Entrepreneurship at the country level continues to be supported by various policy tools. In particular, there are different kinds of support mechanisms provided by Small and Medium Enterprises Development Organization (KOSGEB), Ministry of Science, Industry and Technology and The Scientific and Technological Research Council of Turkey (TUBITAK). In this context "Entrepreneurship Support Program" by KOSGEB, "Technopreneurship Support Program" by the Ministry of Science, Industry and Technology, and "1512 - Entrepreneurship Progressive Support Program" and "1514- Venture Capital Assistance Program" by TUBITAK can be listed as leading support activities. Also several entrepreneurship training programs are organized by EU Turkey Business Development Centres (ABIGEM). When we comparatively look at entrepreneurial activities at international level; Turkey is ranked 39th in "Global Entrepreneurship and Development Index"¹ in 2014 (Finland 7th, UK 9th, France 12th, Germany 16th, Portugal 30th, Italy 48th, Cyprus 51st). In addition, Turkey have 12.22 points in "Total Entrepreneurial Activities Index"² created by "Global Entrepreneurship Monitor" research project in the year 2012 [UK (8.98), Portugal (7.67), Finland (5.98), Germany (5.34), France (17.5), Italy (4.32), Cyprus was not included within research]. Moreover, in "New Business Density" index³ created by "Doing Business" Turkey have 0.79 points as well [Cyprus (22.51), UK (4.11), Portugal (3.62), France (2.88), Finland (2.32), Italy (1.91), Germany (1.29)].

2. **If yes what indicators would you use to evidence this (number of start-ups, number of patents registered, number of self-employed professionals etc.)? If no, how do you think you can benefit from countries where this concept is advanced?**

Turkey can benefit from the experience of developed countries in the development of entrepreneurs, especially in the area of venture capital and business angels. Business angels and venture capital mechanisms are carried out in a strict sense. The best practices from countries where entrepreneurship is developed can be used as model regarding the formation and sustainability of such mechanisms. The new policy instruments are also needed for the development of creative and innovative entrepreneurship in Turkey. In this context, increasing of the quality and quantity of incubation and innovation centers which will operate at the regional level are essential. The first regional innovation center in Turkey is establishing in Konya province (also one is underway in Izmir province). Good practice samples of developed countries have a critical importance in the stages of the establishment of such centers. Development of an entrepreneurial culture is another important point in Turkey. In this respect, different types of technical support services might be taken from successful European regions in preparing action plans for the construction of innovative and entrepreneurial environment which will accelerate the emergence of new and high value-added innovative ideas.

3. **Which factors do you consider as most critical for the development of an entrepreneurial culture?**

¹ <http://www.thegedi.org/countries>

² <http://data.ondernemerschap.nl/webintegraal/userif.aspx?SelectDataset=32&SelectSubset=114&Country=UK>

³ <http://www.doingbusiness.org/data/exploretopics/entrepreneurship>

As for the development of an entrepreneurial culture in Turkey, increasing financial support mechanisms such as venture capital and business angels, and expansion of the exemption on taxation and certain legal arrangements for the protection of investors are regarded as important.

Table-1: Rankings for Selected Countries Related Business Environment

Countries	RANKINGS				
	Starting a Business ¹	Paying Taxes ¹	Getting Credit ²	Protecting Investors ²	Resolving Insolvency ²
Cyprus	44	33	55	34	24
Finland	55	21	42	68	3
France	41	52	55	80	46
Germany	111	89	28	98	13
Italy	90	138	109	52	33
Portugal	32	81	109	52	23
Turkey	93	71	86	34	130

¹Rankings are related to year 2012.

²Rankings are related to year 2013.

Source: <http://www.doingbusiness.org/data>

Besides, support activities which aim to increase women entrepreneurship in the development of entrepreneurial culture are critical. Indeed, according to "Entrepreneurship 2012"⁴ newsletter published by TurkStat, the share of women entrepreneurs in total enterprises was realized as 7%. In context of the promotion of women's entrepreneurship, development of micro-credit system for women and organizing variety of training activities are crucial. In addition, increasing the number of incubators and improving existing ones appear to be essential for the development of an entrepreneurial culture in Turkey.

4. **Which method(s) would you consider as the most appropriate to assist countries lagging in the entrepreneurship?** (i.e. helping entrepreneurs gain access to institutional/angel investors, transferring expertise through an online platform, providing online support in the evaluation of business plans, providing access to networks where entrepreneurs meet.)

Enhancing an entrepreneurial environment is possible with combining many factors related to each other. In this context, both financial and technical support services to be supplied are important. Especially to increase the quantity and quality of support tools such as business angels and venture capital and to ensure access to the online support services via international networks is vital for the countries where entrepreneurship is developing. Moreover, to provide online networks to new entrepreneurs where they can share and introduce business ideas (for example, the online idea pools) might function as accelerator in developing entrepreneurship.

5. **Do you think entrepreneurship can be promoted by the government or through private initiatives?** (i.e. via innovation schemes or via the development of a network of angel investors or both)

Generally entrepreneurship support activities offered by public, the provision of some competencies for new initiatives is required, and various criteria are taken into consideration in the evaluation of them. Such a situation sometimes (as a result of evaluators which are not in the business world actually) brings an unhealthy process. In this context, the interaction

⁴ <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=16190>

between business world and public in the management of public support mechanisms is important. Support mechanisms such as business angels which consist of private sector may provide a more deeply look into the nature of entrepreneurship and transferring of knowledge and experience realized in such process can improve the quality of new initiatives. Also support activities such as technoprenurship and suchlike programs for the development of creative and innovative entrepreneurship support are critical in today's world of entrepreneurship.

6. How would you define the role of the European Union in the entrepreneurship arena?

The "Entrepreneurship 2020"⁵ Action Plan created by The European Union (EU) mainly focuses issues about entrepreneurship education activities, creation of an entrepreneurial environment and identifying role models to expose entrepreneurial potential. In this context, it can be said that especially action plans related to the promotion of young entrepreneurship (Young Entrepreneurs Erasmus Programme) and reduction of constraints (taxes, legal procedures, etc.) arising from various regulations to new initiatives come to the fore. In addition current stage of policies to the support and development of SMEs is promising⁶. If the present action plans are implemented, it is expected that emerging long term gains might provide a multiplier effect about entrepreneurship and high value-added activities in both member states and candidate countries like Turkey.

7. Do you consider project management and planning as a critical area for the success of a new venture?

Project planning is a useful process in terms of revealing weaknesses of new initiatives and providing awareness about possible risks and opportunities in markets. Management of such a planned process effectively is very important within sustainability of venture. However, individual talents related with nature of entrepreneurship and a favorable environment often may be sufficient for a successful venture. Therefore, project objectives should be well-defined and can be applied prior to success of initiatives, as well as consideration of possible added value creation is required.

8. Please define the most important stages in which you would you divide the effort required for a new start-up (i.e. concept development, design, prototyping, commercial deployment).

Most important stages required for a new start-up can be listed as the following steps:

- 1 - Identifying the needs of the market (market research)
- 2 - Product development
- 3 - Design
- 4 - Prototyping
- 5 - Human resources
- 6 - Corporate identity and advertising activities

⁵ http://ec.europa.eu/enterprise/policies/sme/entrepreneurship-2020/index_en.htm

⁶ http://ec.europa.eu/enterprise/policies/sme/regional-sme-policies/index_en.htm

7 - Finance

8 - Production (commercialization)

9 - Connecting to the client networks

10 - Marketing