

# FIN-URB-ACT

## Local Action Plan City of Linz



April 2011

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### Initial situation

The Local Action Plan addressed the following overall objectives on specific problems and topics:

The City of Linz has decided to focus its Local Action Plan on the establishment and further development of the creative and innovative industry sector. This objective is also related to the organisation of the Cultural Capital of Europe in 2009 which shall, among others, serve as a further booster for this industry sector with high growth potential. The Local Action Plan was realised through the formalisation of a network of all the relevant local stakeholders ("local round table"), who, under the chair of the Municipality, implemented the Local Action Plan considering the expected input from the FIN-URB-ACT exchange.

### Single Activities and Steps within the Local Action Plan

For fostering the local creative and innovative industry sector in Linz, activities were foreseen in the field of mapping existing support offers, analysing business requirements and needs and better promoting existing support.

1. *Mapping public support measures applicable to innovative and creative industries in Linz.*

Under the guidance of the Johannes Kepler University, Institute for Entrepreneurship, an Internet homepage will be prepared compiling existing public support offers available for innovative and creative industries in the Linz SME community. This will be based on a respective survey/documentation, including short descriptions of the support measures for SMEs and related web links. The compilation will gather existing national and regional support measures which are tailor-made for Linz, Upper Austria. The survey will have a maximum volume of ten pages and will be circulated among the participants of the local round table organisation for complementary information and updating.

#### Output:

The Gründer-Kompass which was published by the economic chamber of Upper Austria, the homepage of the City of Linz and the founding of the ARGE Gründen.

## *2. Survey on the requirements of the local target businesses*

An Internet survey will be conducted on a representative number of local businesses of the target group to collect detailed information on their requirements and needs in terms of access to finance and related support services. The questionnaire and evaluation will be also conducted by the Institute of Entrepreneurship. Other FIN-URB-ACT Cities may participate in this survey to find comparative facts. Complementary exemplary business case studies will be conducted by means of interviews.

### *Outcomes of the survey:*

The survey was conducted in August 2009 as a semi-structured online-questionnaire with a response rate of 11% (165 business owners out of 1580). Founders from all branches of the creative industry have participated in the survey. However, most of the responding entrepreneurs came from the advertising and ICT sectors.

### *Summary of the outcomes of the survey*

The results show a heterogeneous picture concerning the awareness and future usage of support measures, like information, training, consulting, coaching, networks, finance. In particular, the survey has shown once more that the Upper Austrian Chamber of Commerce plays a crucial role on-site for the support structure for local founders, as 95% of the respondents are aware of the founder services of the Upper Austrian Chamber of Commerce. In comparison, the awareness of, for example, the Creative Community Network is much lower, with only 42% of the respondents being aware of it.

Regarding the premises, it came out that only a quarter of the entrepreneurs work at home. Fifty-six percent have an office outside of their home or in a start-up centre/business incubator (5%). Seventy percent of the entrepreneurs are sole proprietors. An interesting point is that the larger the founder team is, the more often offices in start-up centres/business incubators are used.

Regarding the financial needs it can be stated that there is no real lack of funding opportunities. Moreover one of the most important requirements is that the possibilities to establish contacts and cooperation among the entrepreneurs should be reinforced. Almost one-third of the entrepreneurs carry out long-term cooperation with colleagues from the same branch. Only 12% do not cooperate at all. Almost 40% of respondents want to intensify their networking activities in the future.

Besides this, training needs were detected in the fields of legal questions (one-third), soft skills like sales and negotiation training, reputation management and self-development and coaching (one-quarter). Additionally, creativity workshops and support in the exchange of experience, business administration and management skills (only 15%) were indicated.

*Final considerations derived from the survey by Prof. Kailer*

The results of the survey highlight different items that can be taken into consideration for further development policies and strategies. First, there is a **gender difference in the use of the provided networks** and a **difference between the level of knowledge and the use of different support offers**. Furthermore, the local support programmes are quite well known, contrarily to the European ones, which are almost unknown. That also applies to the access to finance. The closer the access points, the better. Marketing strategies for network support structures need to be well organised. Additionally, synergies between different types of local activities in combination with the development of a common “brand” should be implemented. This should be especially done for industry-specific homogeneous networks, as the survey shows that they are more appreciated by entrepreneurs than the heterogeneous ones.

Output:

A survey with special results in the field of creative and innovative industries was made, which was worked on by different partners of the Local Support Groups and is further in progress with work on the different results.

*3. Establishment of the “Round Table”*

The local project partners set up periodic meetings. The objective was the continuous joint exchange of information about support proposals and development projects, offering a large and comprehensive support network for all the business life phases (start-up preparation, founding, growth phase etc.) and to jointly agree on and develop further proposals.

*Following a deeper description is given on what has been done:*

Stakeholders from the SME support infrastructure in Linz offer a broad range of services. The challenge of the mapping approach was to point out which of those services is the real core competence of each partner. Thus, at the beginning the group of actors was faced with negotiations in order to find the right composition of all the partners, also in order to avoid the limitation in its role of providing business support services and competences. Thus the ARGE

was primarily communicated inwards to the involved entities. The fact is that some members offer important services in a broad way and act as a one-stop shop model, which many SME start-ups want to have. There is a need for a high level of expertise for the development as, for example, high-tech incubators. In this respect it was a political communication approach to the partners.

Having done negotiations and a map scheme indicating the position of all actors, the result was a strategic alliance with complementary partners in a strategic network approach. The entire process had a duration of one and a half years, to become a running network.

The written outcome of this network was the draft of the “Gründerkompass” (founders’ compass), a brochure, where all support facilities with its core competences are described, so that entrepreneurs can easily see whom to contact with specific questions concerning their businesses.

Many advantages can be derived by this system. There is limited competition among the different stakeholders. For these kinds of networks a basic confidence among all members needs to be given. And a minimum cooperation tradition that has developed over a certain time is a precondition. However, the stakeholder can concentrate on their specific competences without losing customers, as through the network customers can be placed from other partners.

In January 2010 the members of the above mentioned working group attended a founders’ fair at the Johannes Kepler University in Linz and during 2010 the group became consolidated. In quarterly meetings the internal structures have been elaborated. Now there is the challenge to start external work with founders.

Outputs:

This round table group has met many times in the meantime and has gathered all the partners who care about start-ups, which led to the establishment of the ARGE Gründen which cares for the different problems and needs in the creative und innovative industry concerning start-ups.

#### *4. Awareness-raising and organisational events*

In 2010 several events took place to raise awareness of the established network and the work of the ARGE “Gründen” and to communicate the possibilities and competences of the network. Furthermore, a short movie on the work of the network was made.

**Output:**

From the start of the project in January 2009 until now we have performed different events alone or together with our partners. For example:

Event 3.2.2009 “Kannst du Wirtschaft, sprichst du Kunst?”

Event 30.6.2009 “Galerien am Wort”

Event 18.9.2009 “Innovation Academy”

January 2010 till June 2010 different workshops for the start-ups

Event 10.2.2010 “Gäng ma doch aufs Salzamt”

Event 14.4.2010 “Creative Symposium”

Event 27.5.2010 “Von der Idee zur Selbständigkeit” – different informations in local papers as well as broadcastings in the TV and radio

Event 30.6.2010 “Edison Award – granting to special start-ups in different categories”

**Planned for the future:**

Currently a Founders’ Agenda is being elaborated, indicating events of the particular stakeholders in order to set a platform and to limit concurrence situations. Furthermore, ideas for competitions and the information event “Tec Days” together with the incubator tech2b are planned for 2011. The help of the participation of FIN-URB-ACT and the thematic of SME finance in the creative industry sector has helped to elaborate a sustainable network to support the local founders.

**Local Support Group:**

Organisation	Name of the representative	Position in the organisation	Expected contribution to LSG	E-mail
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URBACT II

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