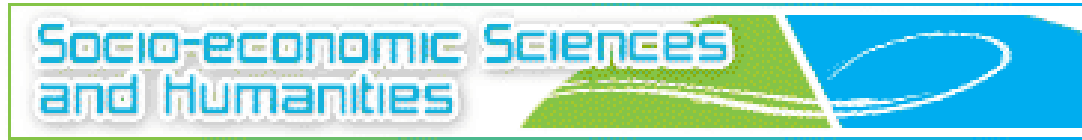


Financing Entrepreneurial Ventures in Europe

Impact on innovation, employment growth and competitiveness

**Economic research for EU
policy making**

Brussels 28 May 2008



Agenda

- Background and policy relevance
- Objective of the project
- Methodology
- Distinctive characteristics
- Consortium



Background

1. **Entrepreneurial ventures** play a crucial role for the static and dynamic efficiency of the economic system
 - They are a fundamental source of radical **innovations** and
 - They **stimulate** incumbent firms to be more innovative and productive.
2. Innovative entrepreneurial ventures in medium- and high-tech industries generally suffer from **resource and competence** gaps which limit their growth
3. It is widely recognized by scholars, practitioners and policy makers that one of the key weaknesses of EU countries lies in their **limited ability** to create a sufficient number of “**gazelles**”



Objective of the project

- The aim **of this research project** is to assess
 - the impact of Venture Capital and Private Equity (VC/PE) **financing**...
 - ... on the economic **performance** (namely innovation rates, employment creation, growth, and competitiveness)...
 - ... of innovative **entrepreneurial ventures**...
 - ... in **Europe**...
 - ... and the role which VC/PE investors play in helping these firms in **bridging** their
 - resource **gap**
 - competence **gap**



Methodology

- To achieve this objective the project relies upon a complex methodological structure
- The analysis combines studies:
 - On both sides of the market:
 - The supply of financing (i.e. investors)
 - The demand for financing (i.e. entrepreneurial ventures)
 - At different levels:
 - Micro-level (i.e. units of analysis are firms and investors)
 - Macro-level (i.e. units of analysis are countries and sectors)
 - Using different empirical methodologies:
 - Case studies
 - Surveys
 - Econometrics



Distinctive characteristics

- The distinctive characteristics of this project are:
 - The focus on a broad definition of VC/PE investors which accounts for the huge heterogeneity which we witness in Europe (if compared to, for instance, the US)
 - The attention given to the complex interaction (two-sided matching) between the demand for and supply of resources
 - The multifaceted methodological framework and correspondingly, the variety of competences provided by the Consortium



The consortium

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