

REGIONAL ACTION PLAN

On improving the framework conditions for alternative finance
for start-ups and social enterprises

Slovenia



Symbolic map

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Slovenia

Regional Action Plan

(Output 3.1)

1. Introduction

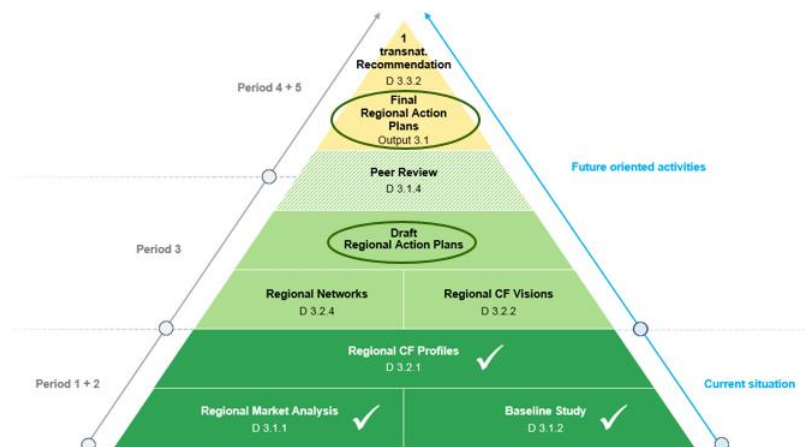
Within the CrowdStream project, each partner region has implemented a process of analysis of local conditions, stakeholder involvement and definition of long-term targets on Crowdfunding. These activities lead to the formulation of the Regional Action Plan (RAP) on the basis of the following inputs (available on <http://www.interreg-danube.eu/approved-projects/crowdstream>):

- Regional Market Analysis on Crowdfunding (D 3.1.1)
- Baseline study (D 3.1.2)
- Regional Profiles (D 3.2.1)
- Regional Stakeholder meetings (D 3.2.3)
- Regional Crowdfunding Visions (D 3.2.2)

The Regional Action Plan provides concrete measures for improving the access to alternative finance for innovative businesses and social enterprises. A peer review process was established to develop the final version of the Action Plans.

RAPs will be linked to the Pilot Actions that will be organized at partner region level in order to showcase solutions how public business support organisations can support CF campaigns of start-ups and social enterprises.

Inputs from the Regional Action Plans of all Danube area partner regions will feed into Policy recommendations aiming at improving the access to alternative finance for innovative businesses incl. social and creative entrepreneurs.



2. Main regional challenges and development needs

Main Challenge #1:

Lack of awareness about potentials of crowdfunding among final beneficiaries and business support structures

Main Challenge #2:

Absent regulatory framework

Main Challenge #3:

Lack of communication knowledge

3. Visions

Vision #1:

“By the end of 2020, STP (together with its partners) shall represent one of the main hubs for crowdfunding support to startups and SMEs in Slovenia.”

Explanation:

Based on the research and analysis performed within the CrowdStream project activities so far, it is clear that, on one side, there is a strong need for a systematic support for crowdfunding projects in Slovenia, while on the other side the needed support is not organized in such a way at the moment.

Although in Slovenia there are many successful entrepreneurs who are willing to share (and are already sharing) their knowledge with those individuals/startups/SMEs who are interested in CF campaigning, the process of know-how transfer is not organized systematically, but rather as occasional and sporadic activity, performed by enthusiasts who have been through the CF campaigns and are sharing their experience with the interested parties according to their time/resources availability in the given occasion.

In order to assure a continuous efficient support activities oriented to the interested individuals/startups/SMEs on the subjects related to crowdfunding, STP decided to engage its available resources to the extent, that will enable a continuum in the awareness raising, specific training/mentoring activities and know-how transfer activities, in order to improve the awareness of the wider population about crowdfunding on one hand, and to improve the participation rate and the success rate of Slovenian crowdfunding projects on the other.

Vision #2:

“By the end of 2020, business support organizations (especially business incubators and technology parks) in Slovenia will accept and promote crowdfunding as one of the most important alternative financial mechanisms for innovative startups and SMEs.”

Explanation:

The lack of knowledge among business support organizations on the subjects related to crowdfunding leads to less intensive support for startups/SMEs in this field. With improving their own knowledge and skills about crowdfunding, business support organizations will become empowered to offer efficient support the potential campaigners according to their needs.

Although specific support activities for crowdfunding campaigners will be provided by specialized experts within the CF hubs, there will still be a need to obtain basic information from business support organizations which basically represent the first contact for startups/SMEs when it comes to business support, as well as the one-stop-shop for all necessary information related to business development and growth. Besides offering general business support activities, the knowledge about propulsive area of alternative financing, such as crowdfunding, will add substantial value to their services and additionally boost development of startups/SMEs.

4. Proposed actions to address the regional challenges

The visions set in this Regional Action Plan are in line with the main challenges, identified in the Regional Profile:

- Lack of awareness about potentials of crowdfunding among final beneficiaries and business support structures,
- Absent regulatory framework and
- Lack of communication knowledge.

Visions are aimed at strengthening the business support environment in Slovenia, which is identified as a baseline for tackling all three challenges. Namely, with the activities that address the overcoming of challenges and achievement of visions, STP is aiming at raising the awareness about potentials of crowdfunding among both sides – the final beneficiaries and the business support structures. By performing intensive training activities during the project as well as beyond its duration, STP is targeting the challenge of lack of communication knowledge directly. Even though STP cannot directly impact the challenge of absent regulatory framework, both of the previous challenges and the response to them represent a foundation for slowly but constantly building an appropriate baseline for initiation of the changes in the direction of regulatory changes in the field of crowdfunding also in Slovenia. Based on the raised awareness and popularization of alternative sources of financing, the conditions for introduction of regulatory changes are improving.

STP is continuously activating its resources in the direction of achieving the set visions with the following approach:

In order to be able to reach the regional crowdfunding visions, there is a strong need for capacity building of BSOs in the region. STP will thus continue with the crowdfunding trainings of BSOs also in the following periods, also after the finalization of the project, as a kind of a continuous activity in order to achieve and sustain the awareness of the BSOs and their crowdfunding capacities on a desired level.

Furthermore, as an upgrade of the previous point, the need for wider range of services, offered by BSOs was recognized. With the implementation of the trainings and dissemination of crowdfunding knowledge, STP and its regional/national partners will contribute to further development of the upgraded support services of BSOs in the field of alternative financing/crowdfunding.

In order to achieve and sustain the relevance of the alternative financing/crowdfunding on a high level, STP will actively work in the direction to further spread the network of collaborating partners/members, engaged in/important for the field of crowdfunding in Slovenia. The strength of the network, with relevant network partners can contribute substantially to recognition of crowdfunding as an efficient alternative method for financing of innovative business ideas and its further popularization.

Following the Vision No. 1 - “By the end of 2020, STP (together with its partners) shall represent one of the main hubs for crowdfunding support to startups and SMEs in Slovenia.”:

With the aim to strengthen the role of STP as one of the main hubs for crowdfunding support for startups and SMEs in Slovenia, and thus enabling the final beneficiaries efficient support in the process of raising alternative financial funds, STP will systematically approach further development of cooperation activities with other (main) crowdfunding stakeholders in Slovenia.

There are several organizations in Slovenia that are already partially tackling the issue of performing support services in the field of crowdfunding promotion and provision of support activities for potential campaigners. Our task is to approach them in a collaborative manner and enhance common, synchronized activities in order to sustain the existing support activities and initiate further ones continuously.

In line with the mentioned task, STP initiated formalization of future collaboration in the field provision of crowdfunding support services with several organizations (evident in the signed LoIs).

Within the capacity building activities of the CrowdStream project, STP performed the initially planned BSO trainings. However, based on the needs of crowdfunding potential users, as well as the interest of BSOs, STP is planning to continuously perform further trainings of BSO officers and final beneficiaries also in the future. The training materials developed within the project, as well as their upgrade in e-version represent an important factor for achievement of sustainability and a strong tool for further work on the project related contents also in the future.

Following the Vision No. 2 - “By the end of 2020, business support organizations (especially business incubators and technology parks) in Slovenia will accept and promote crowdfunding as one of the most important alternative financial mechanisms for innovative startups and SMEs.”:

Based on the ever-developing world of new ways of financing businesses, crowdfunding has been recognized as one of the most propulsive methods of financing (co-financing) of entrepreneurial projects internationally. Although in Slovenia crowdfunding is already accepted as one of more contemporary methods of business financing, we estimate that there is still a lot of potential for further development and promotion of this approach to raising finance for running initial phases of the product launching.

Therefore, STP has set a goal to systematically promote crowdfunding as an important alternative financial mechanism for innovative startups and SMEs among wider public and

support structures, which will be achieved by regular communication and promotion of crowdfunding among BSOs and other stakeholders.

Based on existing CrowdStream promotional materials, upgraded by final project promotion materials showing prosperous results of the project and its achievements, based on the activities performed throughout the partnership, STP is planning to sustainably use the above mentioned materials to further promote the contents of crowdfunding and additionally maintain crowdfunding topics web and printed contents, accompanied by systematically launched public releases on the crowdfunding subject beyond the project duration.

Building upon STP's connection within its network of partners with which it is connected horizontally and vertically, on a local, regional and national level, it is expected for STP to be in a position to further achieve good communication in the direction of crowdfunding promotion and awareness raising among many business support organizations and other stakeholders.

5. Further recommendations to improve regional and transregional framework conditions

The first recommendation for Slovenian environment would be to introduce the regulatory framework for the implementation of crowdfunding mechanisms, which is still lacking in Slovenia. That has already been identified as the no. 1 challenge, however has not been accordingly tackled yet. The main functionality of mechanism of crowdfunding is its financing nature, which is a delicate feature and should be as such accordingly formally regulated in order to achieve the most of its impact and assure appropriate clearance for all parties involved. Following that, the processes related to crowdfunding as a means of financing of business projects will become much more transparent and consequently attractive to new potential investors when appropriate formal conditions and framework will be assured.

Based on positive experience of the implemented activities within the CrowdStream project in Slovenia and the effects achieved, the next recommendation to improve regional and transregional framework conditions is, to furthermore sustainably promote interlinking and collaboration among business support structures in the field of crowdfunding support, by strengthening the nationally created hubs of BSOs supporting crowdfunding and further promoting their international collaboration to achieve as wide effects as possible.

The last of further recommendations is to continue with systematic performance of trainings and awareness raising among all target groups. Namely, by the raised awareness of both major target groups (final beneficiaries and BSOs) their knowledge is raised on a higher level, thus pursuing further demand regarding new and new incentives in the field of alternative financing, which brings direct positive effects to the sphere of financing of business-related projects. Informed public demands more and more qualitative inputs and reaches for new and new incentives which impacts the continuous raising of the level of wider national & international competences on the target users and the target service providers.