

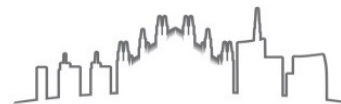


Policies for Home-Based Business Development and Growth

Locally fostering home-based entrepreneurship and growth

Paris 4 October 2017

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Doing Business in Italy: Milan Case



▶ World Bank ranking 2017 about **easiness of starting a business** (191 nations evaluated):

- Australia 7th
- Belgium 17th
- France 27th
- United Kingdom 16th
- Netherlands 22nd
- **Italy 63rd**

▶ In Italy the average hourly **labour cost** per employee ranges from €17.20 (SMEs) up to €28.90 (corporates)

[Source: ISTAT]

▶ **Average monthly costs** for an **office in Milan** (semi-suburban area)

Location (from 2 to 8 people):

- €1.100 - €2.200:
- Rent (€530 - €810)
- Condo fees (€160 - €220)
- Internet (€40)

Furniture (from 2 to 8 people):

- €2.580 - €6.000 + maintenance and equipment (scanner, pc, ecc)
- Office clean and materials (€290 - €790)

▶ Real estate market in Milan has the **highest prime office and high street retail rents** (compared to München, Stuttgart, Lyon and Barcelona)

[Source: Milano Scoreboard 2017]

Doing Business in Italy: Milan Case



- ▶ **Barriers** to enter the market for startups/entrepreneurs:
 - **Difficult operating conditions** (technical, bureaucratic, legal, etc) that reduce their potential impact
 - **High costs**
 - **Scarcity of available economic and financial resources** compared to potential actors, ideas and initiatives

- ▶ **The old way of creating services and regulations and traditional economic models and relationships, do not work anymore.** (Neelie KROES Vice-President of the European Commission)

- ↓

- ▶ **Reappraisal of previous policies** in order to **create communities** that are able to live and compete in an increasingly changing environment.

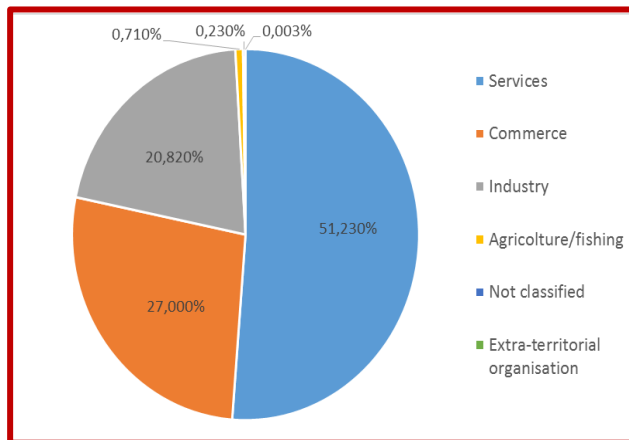
Doing Business in Italy: Milan Case



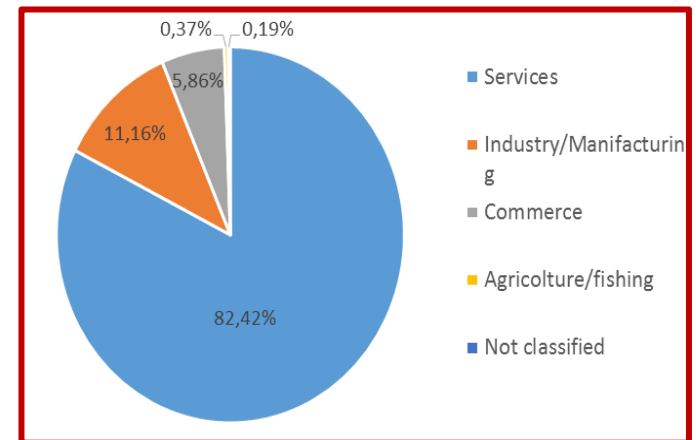
Milan: In the last year, **23,689** new firms **(+1.5%)** [Source: Camera di Commercio, Milano Produttiva 2017]

Startups in Milan from 2012 – 2017 (16% of total in Italy)

86,795 New Enterprises

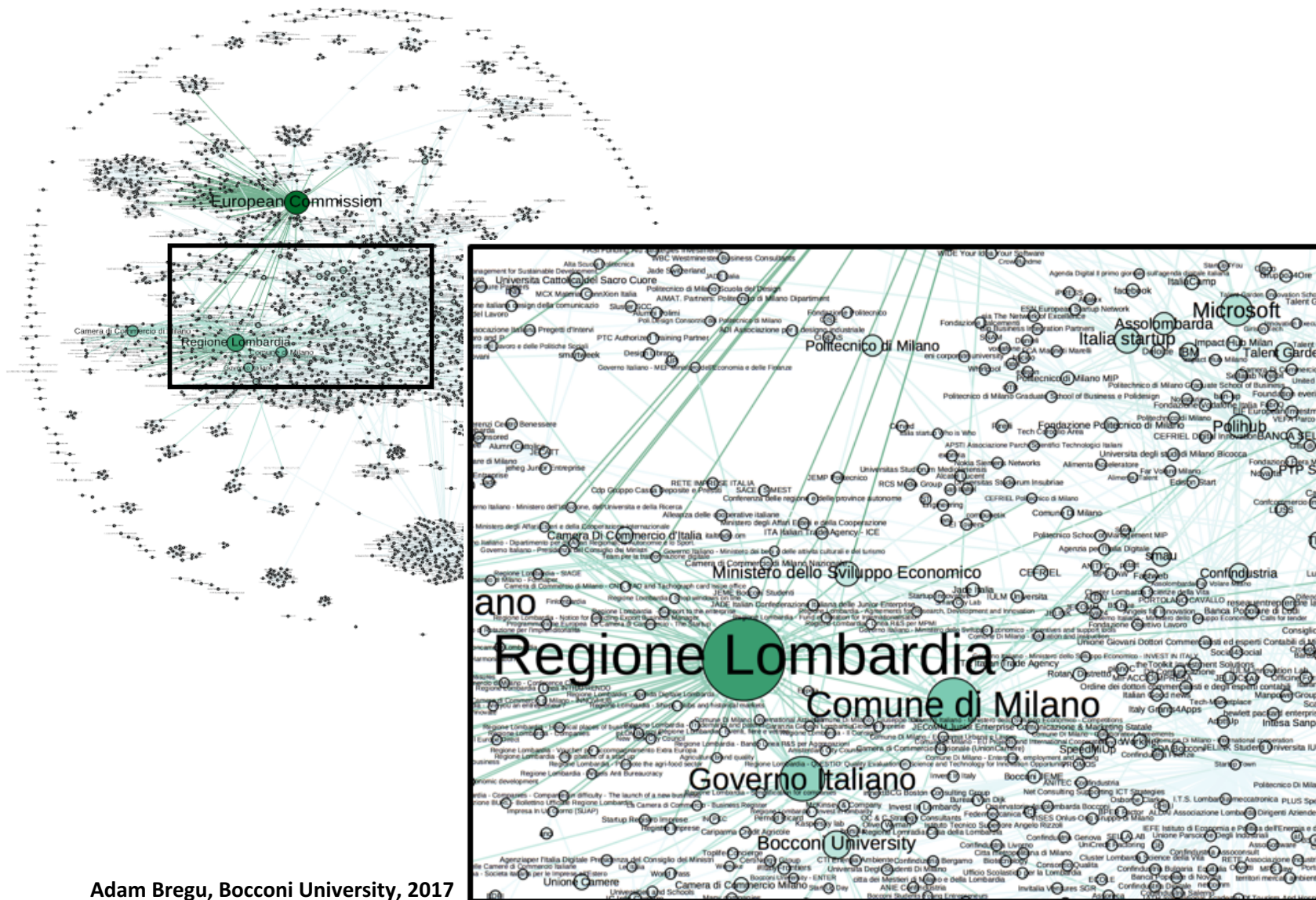


1,075 Innovative Startups



Doing Business in Italy: Milan Case

The **Startup Ecosystem of Milan** is a large, active and vibrant ecosystem.



Policies to improve the Startup Ecosystem of Milan



- ▶ **Municipality's Objective:**
promoting **entrepreneurship and occupation** by meeting the **new demands** from the labour market and the rapid evolving economic environment in Milan.
- ▶ **Focus:**
Boosting the strengths of the territory with **innovative forms of work** especially for young professionals, freelance workers, and workers in the advanced tertiary sector
- ▶ **Dec 2014 Guidelines for Milano sharing city** were approved by the Municipality*
Milano sharing city: Action plan:
 - ▶ Set up an ecosystem that fosters the development of new ideas and knowledge exchange, the creation and enhancement of new skills and business start up
 - ▶ Enhancing **common assets**, sharing of **workspaces**, and **equipment** by different professional actors to encourage opportunities in starting out



Policies to improve the Startup Ecosystem of Milan



5

main **actions** The City Of Milan conducts to **support, improve & develop** the startup ecosystem of Milan

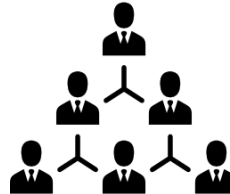
1

Internationalization Projects



2

Ecosystem Network Projects



3

Direct Support To Finance Startups



4

Vertical Sector (Sharing Economy, Manufacturing 4.0 & Social Innovation)



5

Innovative Financing Projects



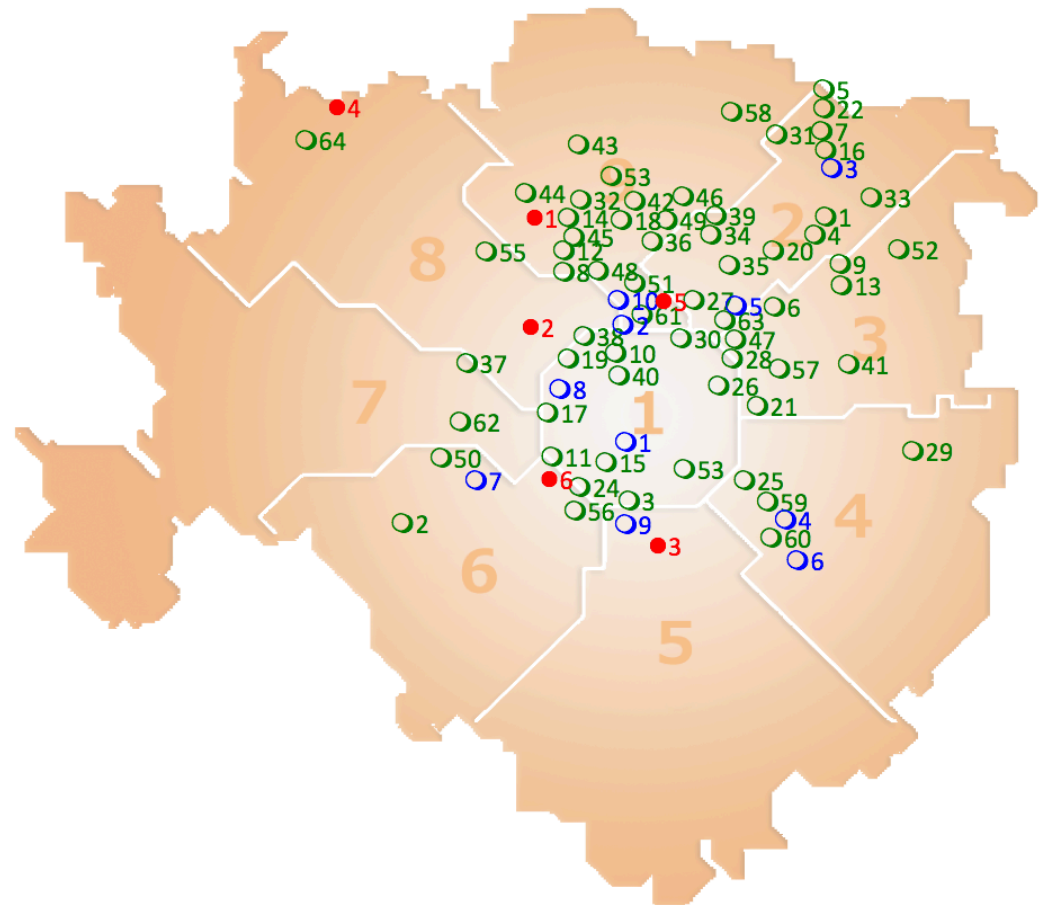
Ecosystem Network Projects:



Initiatives of sharing economy by the Municipality of Milan:

- ▶ Incubators & Accelerators
- ▶ Co-working Spaces
- ▶ Makerspaces & Fablabs

Map of Milan:



Incubators & Accelerators



To **develop** and **strengthen** the **network** of the **startup ecosystem of Milan**, The City Of Milan has created, developed and invested in a **large variety** of **projects**

€ 1.5 + million

invested in **Incubators & Accelerators**

Polihub – Politecnico di Milano: ICT / Web / High Tech



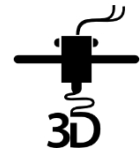
Speed Mi Up – Camera di Commercio & Bocconi University: Management



Fabriq: Social Innovation



Milano LUISS Hub For Makers & Students



BASE: Creative Startups



Alimenta2Talent (PTP): Agrifood & Innovation



Co-working Spaces



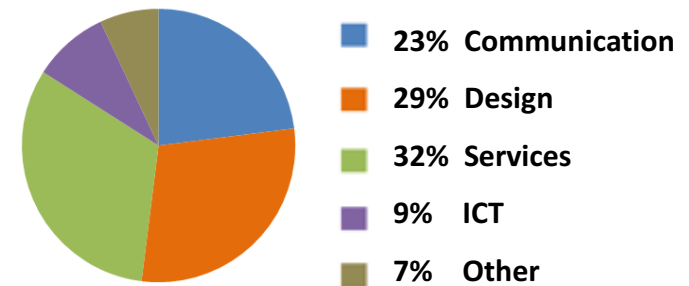
- ▶ Co-working is a way of working which implies a shared working environment in order to increase opportunities arising from people with different professions and skills collaborating. It is an innovative and functional response to the changing labour market.

DGC 1392/2017

- ▶ **3 MEASURES (2013 – 2016):**

- 1** Official list of **suitable coworking spaces** in Milan with defined standards developed and defined by the Municipality
- 2** **Financial help for co-workers** (up to €1.500,00 per year)
- 3** **Co-funding** to cover the costs of fitting out the **coworking spaces** on the list, by individuals or businesses

Co-working Spaces Statistics:



201 Supported Coworkers
€ 204,155

64 Co-working Spaces
€ 280,633

Example: Fabriq:



Costs for entrepreneurs and coworkers at:



Open space workplace		
Option	Charge	Included services
Daily entry	€ 10	WiFi, kitchen, garden, bicycle parking, shelf
Monthly rent	€ 120	WiFi, kitchen, garden, bicycle parking, shelf, cabinet, storage, legal domiciliation

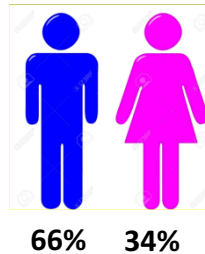
Offices		
Options	Monthly charge	
2/3 Places	workstations	€ 400
4/6 Places	workstations	€ 600

Included Services: WiFi, kitchen, garden, parking, bicycle, cabinet, storage, legal domiciliation

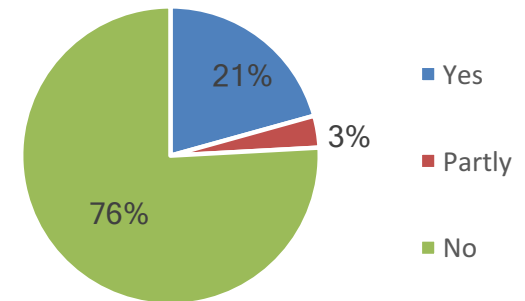
Co-working: Survey



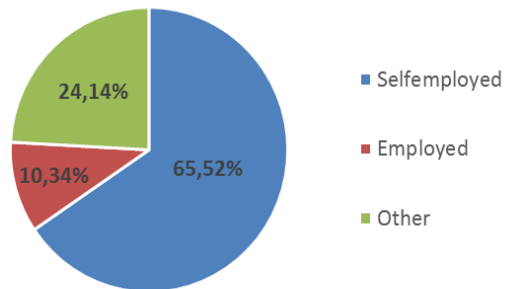
Survey submitted to the **201 coworkers** who benefited from the **support by the Municipality**



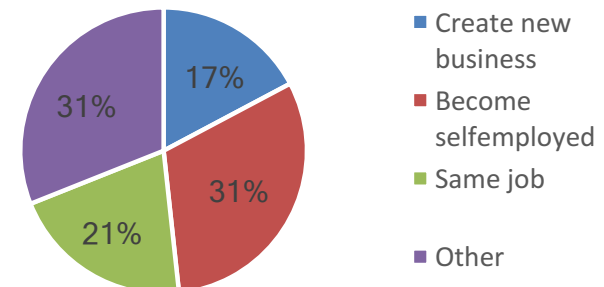
Previous request to other organizations for financial support



Workers classification **BEFORE** the Municipality help



Workers classification **AFTER** the Municipality help



Makerspaces & Fablabs



- ▶ They are an opportunity for academics, researchers and businesses to collaborate more efficiently thus stimulating the creation of entrepreneurial ideas.
DGC 1392/2017

2 MEASURES

Supporting innovation in the **digital manufacturing process** through the implementation of:

- **“open community spaces”** where academics, researchers, professionals and entrepreneurs collaborate
- **Open lab** fully equipped with high tech machinery

- ▶ **Official list** of suitable makerspace/fablab in Milan with defined standards developed and defined by the Municipality;

- ▶ **Cofunding** to cover the costs of fitting out the **spaces** on the list, by individuals or businesses



10 Fablabs in our qualified network

€125,496

Innovative Financing



Microcredits:



Giving credit to those who can't normally access it.

1,396 Recipients Of Microcredits

€ 3,400,000 worth of Microcredits given

Crowdfunding:



Supporting & financing social impact **startups**

Promote the **active participation** of citizens

16 Projects Financed

€656,549 Invested

Crowdfunding



Startups from Crowdfunding:

Crowdfunding Campaign: **€333,136**

Municipality Of Milan: **€323,413**

Total: **€656,549**



• 18 Startups On Online Platform

• 16 Startups Fully Financed (88.8%)

Gallab



Budget: **€50,000**
Crowdfunded: **€25,225**

Sicurezza d'Argento



Budget: **€44,000**
Crowdfunded: **€22,765**

Child Explorer

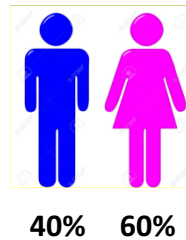
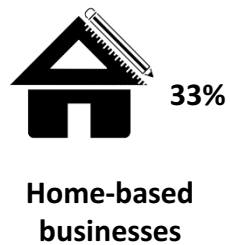


Budget: **€10,000**
Crowdfunded: **€5,255**

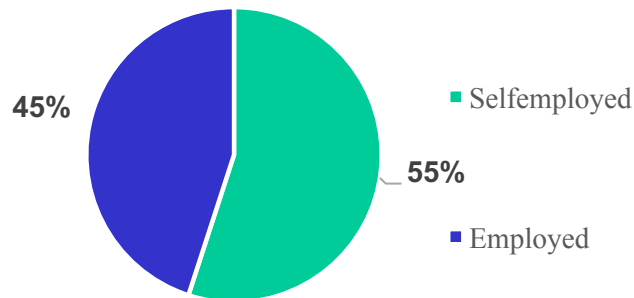
Crowdfunding: Survey



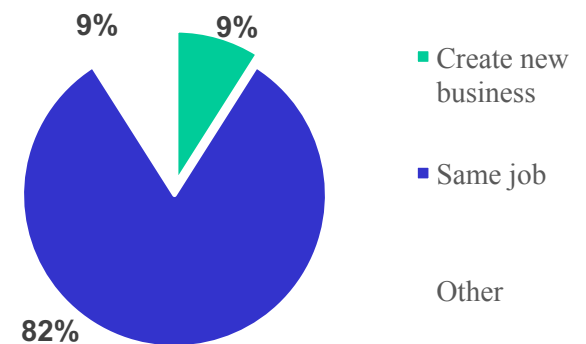
Survey submitted to the 16 winning projects:



Workers classification BEFORE the Municipality help



Workers classification AFTER the Municipality help



Crowdfunding Example:



- ▶ **Crowdfunding Campaign: € 20.032,00**
- ▶ **Municipality Of Milan: € 19.968,00**
- ▶ **From the project to an innovative startup**

Online Platform for peertopeer lunch:

- ▶ **A Sochef (inactive people) opens up his/her kitchen at lunchtime**
- ▶ **A customer (usually workers) can enjoy a home made meal during his/her workday**

SoChef Profiles:

	A	B	C
Age	20-30	30-50	35-64
Education	undergraduate	graduate	Junior High school
Occupation	student	unemployed	housewife
Revenue	< € 5.000,00	< € 5.000,00	€ 0 – 10.000
Aim	earn money	Earn money	Earn money, make freinds
Languages	ITA, ENG	ITA, ENG	ITA
Hobbies	sport, cinema, books, girls/guys	sport, travelling, cinema	cooking, TV, reading magazine(gossip)
Contacts	FB, Instagram	FB, Instagram	FB, Instagram, Youtube
Value/belief/features	friendship, leisure time	culture, friendship, well manners	camily, friendship, do the cleaning



Target mass market
 - 17 ml inactive people (120 ml EU)
 - 12 ml people who have lunch outside home everyday (68,8 EU)

Launched: 10 March 2017

928 Registered people

114 SoChef

(June 30 2017)

Startup City Alliance Europe (SCALE)



- **SCALE unites 19 European startup organizations from 19 European cities for the benefit of startups in Europe wanting to scale not only within Europe but also to other continents around the world.**
- **SCALE helps establish a transparent European startup ecosystem that enables startups to scale to foreign markets.**
- **SCALE connects and fortifies the supportive structures that are already in place, bringing together European municipal governments, universities, corporates and fast growing startups (scale-ups).**
- **SCALE enables the exchange of knowledge, connection of organizations, European soft landing programs and soft landing projects in the US and other markets.**

Startup City Alliance Europe (SCALE)



Startup City Alliance Europe Website:

- The **SCALE website enables startups to select the city it wants to scale up to and access the practical information on how to set up and grow a startup in that city.**

SCALE
startup city alliance europe

Select the city you want to scale up to and read all the information on how to set up your company.

Google

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The Startup City Alliance Europe (SCALE) is an important step towards creating a connected European city-to-city startup ecosystem. SCALE unites 19 European startup organisations for the benefit of startups in Europe wanting to scale not only within Europe but also to other continents around the world. SCALE helps establish a transparent European startup ecosystem that enables startups to scale to foreign markets. SCALE connects and fortifies the supportive structures that are already in place, bringing together European municipal governments, universities, corporates and fast growing startups (scale-ups). By cooperating amongst one another...

The following cities are part of SCALE. Select the city you want to scale up to and read all the information on how to set up your company.

Amsterdam	Antwerp	Barcelona	Brussels	Helsinki	
London	Madrid	Milan	Munich	Paris	Rome

Conclusions & Future Steps:



- ▶ **New resources allocated** for supporting **new** Co-working Spaces & Fablabs
- ▶ **Strengthen the organizations that provide services to entrepreneurs in Milan.**
Collaborating with Universities and other players to strengthen the ecosystem.
- ▶ According to the **coworkers and crowdfunding recipients**, **most** of them are **home-based entrepreneurs**.
 - ▶ **Construct a survey to these home-based entrepreneurs** to better understand what they **need** and are **lacking**.
- ▶ According to these results and other research evaluate to **target home-based entrepreneurs**
- ▶ **Develop the SCALE website** to provide **practical information** and **skills** to new entrepreneurs in Milan and abroad.

Thank You



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