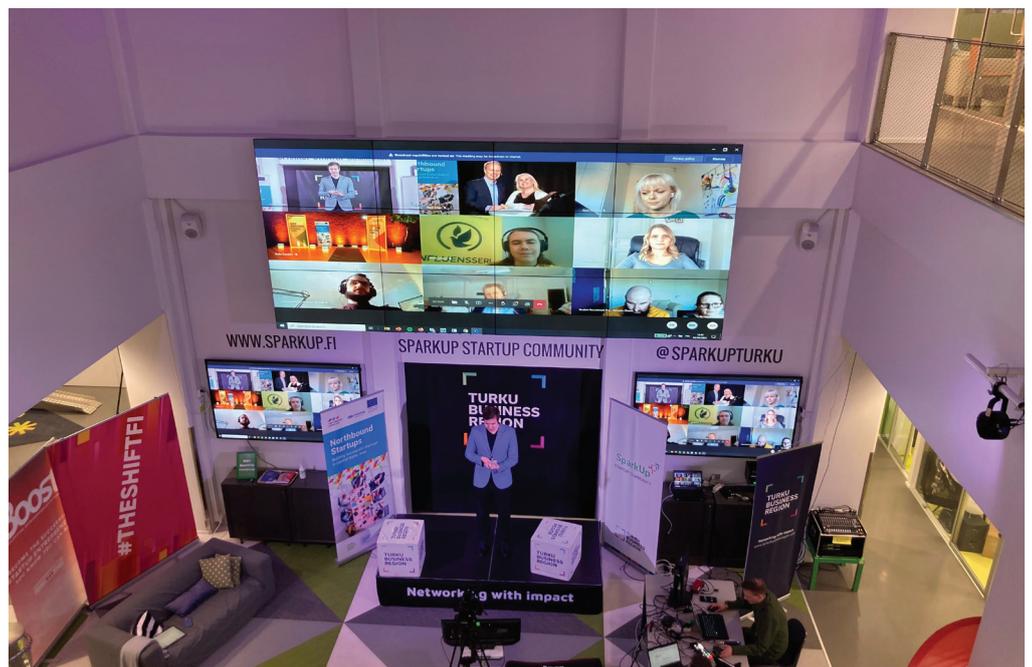


NEW BUSINESS DEVELOPMENT

Central Baltic programme 2014-2020
projects that new business development
within Central Baltic region.



NBS or Northbound Startups increased capacity to produce international startups in the Central Baltic region. The photo shows NBS Demo Day 2021 at SparkUp, Turku. Jarkko Nissinen from StartuPlifers is hosting the event. Photo: Marko Puhtila.

What are result packages?

Result packages are part of the 2014-2020 programmes' capitalisation strategy. They promote programme achievements in logical entities by providing summaries of results and examples of good practices. They are all structured in the same way.

In total, there are 10 packages that summarise different thematics addressed by the Central Baltic programme. The themes of the different packages are:

- Export
- Labour market
- Sustainable management of the coastal and marine areas
- Vocational education
- Sustainable tourism
- Integrated urban planning
- ***New business development***
- The development of transport corridors
- Small ports development package
- Water

The BELT project improved start-up culture within the Central Baltic region in various ways. For instance, four BootCamps were organised under the Smart City theme in Jurmala, Helsinki, Norrköping and Tampere. In total, 86 start-ups or teams participated in them, along with individual business ideas. In the picture below, Tuomas Maisala is lecturing in a BELT event about different funding possibilities for start-ups. Photo by Jaakko Ranta.



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Scope of the package

This capitalisation package contains information about CB 2014-2020 project results that support new business development within Central Baltic region.

In CB programme 2014-2020 new business development theme was specifically chosen and for that specific objective 1.1 (SO) “New Central Baltic knowledge intensive companies” was dedicated.

SO 1.1 projects were to contribute to the future potential of economic development of the region as targeting the creation of joint Central Baltic new companies (start-ups) with international ambitions.

“New joint companies” were defined as 2 years from the registration or the start of operations and composing of joint teams (key people), joint management or joint ownership by people from at least two Central Baltic Member States. In addition, “co-operating new companies” were expected as relevant result of the projects.

As the specific aspect relevant for Central Baltic archipelago and islands area, the development of new business directions of established companies was equalled to “new joint business creation”.

All together 10 projects were financed: 1 project targeting this specific theme and 9 projects working with new joint business creation within Central Baltic region. There was 1 small project and 9 regular projects. ***More than 500 companies have been actively involved in projects activities and more than 70 new joint companies have been created.***

Background

New business creation in Central Baltic region has been active and there are strong connections within CB economies related to ownership, trade and investments.

All Central Baltic countries have excellent new business support ecosystems with capacity to support the creation of global companies. This is supported by strong educational systems and significant innovation capacities.

Often the large multinational companies from Sweden and Finland own subsidiaries and use subcontractors from Latvia and Estonia for their final products.

In new sectors of the economy the picture is different and more often companies with global ambition from all Central Baltic countries target global markets and become global.

All Central Baltic countries have excellent examples of global technology companies as Klarna, Spotify, Oatly, Northvolt, Mojang, Skype, Wise, Pipedrive, Printful, Supercell, Rovio, Wolt, HMDGlobal, to name best known ones.

These global success stories are often characterised by international mixed teams and ownerships from the very early phases of their development.

Timeline

Projects from all 5 calls are included in this capitalisation package, first projects started in 2015 and the 5th call projects will run until 2022 autumn.



Timeline of projects

Achieved results and effect

The Central Baltic programme intervened within new business development theme with specific focus on “supporting the creation of CB joint new companies” and encouraging “co-operation between new companies”. On programme level we targeted results as 100 new joint Central Baltic companies. By the end of August 2022, the cumulative result of 10 projects exceeds 70 (including new business directions of archipelago area companies).

As August 2022, within SO 1.1, 10 projects have been financed and implemented and 2 project are ongoing (ending in autumn 2022). All together more than 500 companies have been actively involved in projects activities. All projects were not able to create “new joint Central Baltic companies” but were able to support the development of the new companies and made participating companies co-operate with each other.

The projects focused on different target groups, business sectors and approaches to achieve “new joint companies”. Following sectors for business creation were represented: ICT solutions, online gaming, green tech, cleantech, smart cities, creative industries, the silver, the green and the blue economy.

Different approaches have been used - mixing teams of not yet established companies, matching established companies, facilitating cross-border investments, and developing new business directions for AI & I region mature companies. As target groups (potential entrepreneurs) most often the students and young people were targeted. 1 project (Archipelago Partnership) worked with new business directions of established companies within AI&I area. In addition to benefits for target group companies it was widely concluded that positive impact was evident for investors, mentors, founders, and ecosystem professionals. New projects and follow-up activities were agreed and implemented.

Experiences and lessons learned

Projects used different strategies and approaches to achieve targeted results.

It was observed that it is challenging to start joint new business creation from early phase: bringing together teams from different countries with aim to mix them and developing those to become registered businesses. Perhaps even earlier phase intervention - mixing potential participants before teams were created - would have worked differently.

Also, it was experienced that already established early phase start-ups were reluctant to take on board new team members from other countries.

Even more challenging were situations when partners brought to project activities teams or start-ups which were on different phases of their development.

Best working approach proved to be cross-border investments to already established start-ups in creation of joint companies.

Based on feedback from project partners there is no doubt that the participating companies which did not become “new joint companies” benefitted from exposure to joint networks of mentors, investors, founders, and other experts.

Frequent feedback from project partners and ecosystem representatives indicated that more interest for cross-border co-operation would be with late phase new companies in their scaling-up processes. This feedback was taken into consideration while preparing Central Baltic 2021-2027 intervention logic.

Covid pandemic emphasized the challenges related to new business creation even more and became evident that while developing and using online tools the face-to-face component remains crucial in new business creation and development.

Development after the projects ended

Many projects have continued cooperation in one or another way or they see it relevant to continue it after project ends. There is now more deep understanding of partner countries new business development ecosystems’ opportunities and work practises. All projects have developed or improved the methods and tools for increasing the capacities for new business development.

In most cases the successful implementation of the project has created trust between partners and new plans and wish for future collaboration. There have been new projects created based on good implementation of the projects.

Covid caused crisis has served as additional factor to develop new online tools and ways of working differently.

Participating projects

- **Talsinki** - implemented an integrated incubation process within Tallinn - Helsinki metropolitan area. The co-operation focused on start-ups within ICT, health-tech, cleantech and creative industries. Cross-border investments were achieved and several cross-border teams with potential to become real businesses were created. <http://database.centralbaltic.eu/project/27>
- **STARPABS** - focused on university students in Finland, Estonia and Latvia to build international teams and joint companies. The project also worked with attracting new entrepreneurial talent into the Central Baltic region and created documentary on region's successful start-ups and ecosystem. <http://database.centralbaltic.eu/project/42>
- **Springboard** - worked with new joint and co-operating knowledge-intensive start-ups using the shared smart specialization strengths of the participating regions from Finland, Estonia and Latvia (ICT, cleantech and health-tech). <http://database.centralbaltic.eu/project/25>
- **SPARKS** - partners from Turku and Tartu established a common methodology and a cross-border cooperation culture that resulted joint companies and co-operation between new companies. <http://database.centralbaltic.eu/project/49>
- **Archipelago Partnership** - worked with developing new business models for established entrepreneurs and start-up companies in Islands and Archipelago region between Finland and Sweden including Åland. <http://database.centralbaltic.eu/project/61>
- **BELT** - partner organisations from Finland, Sweden and Latvia focused on entrepreneurship-oriented, experienced, and talented students as well as potential start-ups within "smart city" theme to create joint companies. <http://database.centralbaltic.eu/project/38>
- **CB 4 Game Camps** - from all Central Baltic countries partner organisations supported the creation of new joint Central Baltic online game developing companies and teams with global ambitions. <http://database.centralbaltic.eu/project/63>
- **NOCCA** - focused on students in three countries (Finland, Estonia, Latvia) to create new joint and co-operating companies within challenges and opportunities related to the silver, the green and the blue economy. <http://database.centralbaltic.eu/project/102>
- **NBS (Northbound Start-ups)** - partners from Finland, Sweden and Estonia worked with target group consisting of new start-ups, PhD and degree students, researchers, recent graduates, and highly educated expats to towards entrepreneurship and at the same time it supported the already existing pre-seed stage start-ups in finding their first customers and investors/advisors. <http://database.centralbaltic.eu/project/130>
- **New Nordic Lift Off (NNLO)** - is working to stimulate cross-border investments between Estonia and Finland into high-tech start-ups by increasing the start-ups' investment readiness and raising the overall investment knowledge within the sector and to build a strong united investment ecosystem. <http://database.centralbaltic.eu/project/136>

THE ARCHIPELAGO IS AN UNUSED RESEARCH FIELD

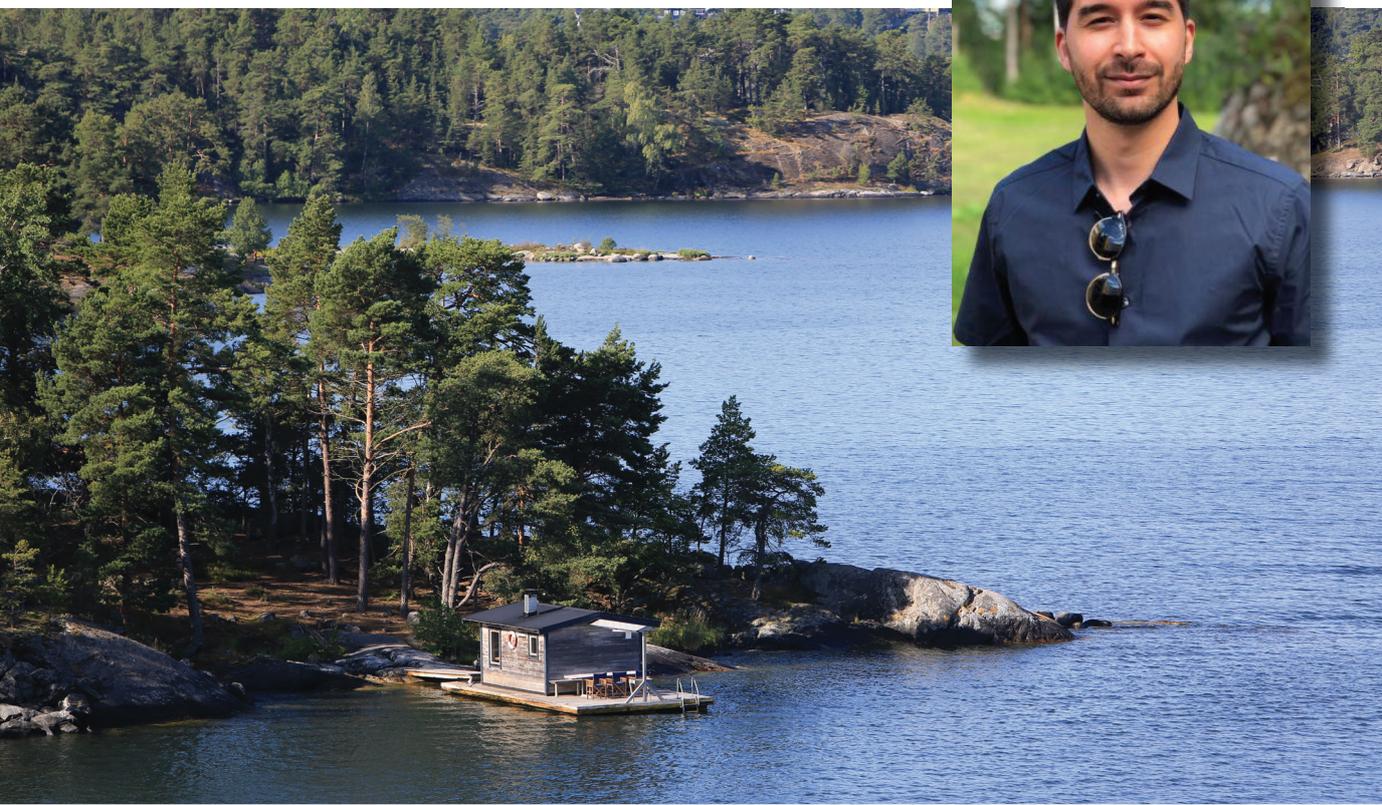
By Ester Laurell, Contact Point Åland

“This project will have a domino effect and continue to lead to more projects. The Archipelago Entrepreneur Portal has helped me find not only material but also contacts”, says Youssef Merouani, who became an enthusiastic user of the website during his master’s studies in business administration at Södertörn University.

30-year-old Youssef was born in Algeria and came to Sweden with his family when he was 10 years old. As an adult, he returned to his homeland and took a bachelor’s degree in leadership and marketing. He can now see that the Algerian countryside has similar challenges to the archipelago in terms of entrepreneurship and the lack of urban city services.

“There is a lack of research on islands and archipelagos in general. The archipelago easily falls into the shadow of the mainland, and it has not been fully understood how to deal with the problems that the islanders live with”, says Youssef.

The islands cooperate more, and the people have to fix things themselves and take care of the infrastructure in a way that people in big cities would never do.



Challenges and opportunities for entrepreneurship on islands

“I have studied challenges and opportunities for entrepreneurship on the islands that have been identified as ‘core islands’ in the Stockholm archipelago. I have gathered information at company level, island level and industry level. In addition to data on companies established on the islands since 1916, I also collect facts about the islands themselves as far back in time as possible. It is easiest to obtain information for the last 20 years”. Youssouf continues: *“The portal has made it possible for me to find public reports with information at the island level, but also contact information for experienced people who work for the Stockholm Region.”*

The material becomes alive and its best, when people described their companies themselves: *“These entrepreneurs do everything. It is not possible to categorize. There are very many who are multi-taskers and, for example, farm alongside”*, says Youssouf.

“I indirectly joined the Archipelago Business Development project when it ended, but I have enjoyed the fruits of it, and there is a large unused research field. Much of the research so far has been concentrated on big cities where things happen very quickly and are huge. But these areas in the periphery have not been given much focus. And the combination of quantitative data, trends and people’s stories makes sense to me. I would like to continue researching the archipelago’s entrepreneurs.”

Youssouf Merouani’s master’s thesis can be found at Södertörn University: [Who will survive in Stockholm Archipelago? A longitudinal analysis of firm-survival in a peripheral region](#)

ARCHIPELAGO PARTNERSHIPS

The project Archipelago - strategic partnerships for business development inspired entrepreneurs in the archipelago and rural areas to develop through partnerships and training in Finland (including Åland Islands) and Sweden. In total, the project involved 185 projects, created 12 new startups and generated over 20 business ideas. During its run, the project also attracted considerable media visibility.

Programme Priority: P1 Competitive economy

Duration: 01.10.2016 - 30.09.2019

ERDF: €1 228 883