SUPORT A L'EMPRENEDORIA



Doing business in Spain – The entrepreneurship ecosystem in Catalonia



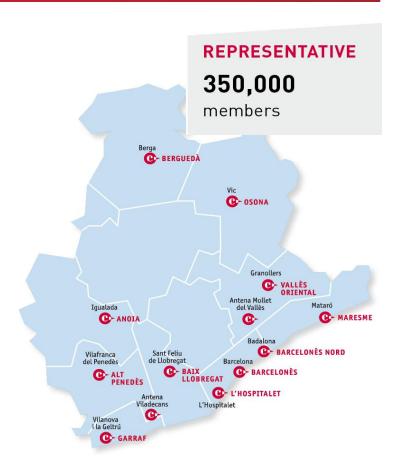


About the Barcelona Chamber of Commerce

The Chamber has a **network of 10 delegations** and **two antennae** distributed throughout the territory.

This presence throughout the territory allows the Chamber to get to know closely the reality and dynamism of the economics of the region and establish close contact with businesses in order to better attend to their needs and offer them services.

WWW.CAMBRABCN.ORG





How do we help entrepreneurs?

- Free-of-charge procedures (legal incorporation)
- ► Free advice to unemployed people, young people and women who want to start a business
- Cooperation with senior/retired entrepreneurs
- Connection and referral to other entities of the "ecosystem"



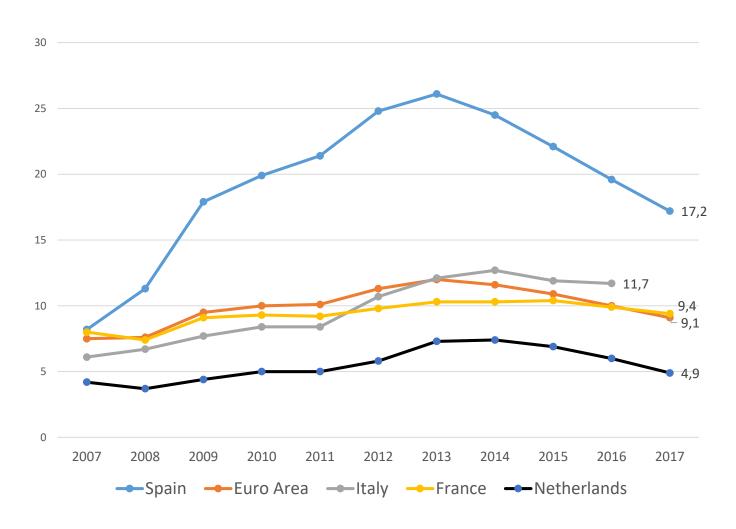
Objectives

Give and share resources, guidelines, hints, clues on...

- The entrepreneurship ecosystem in Catalonia/Barcelona
- Funding schemes available for entrepreneurs or early stage businesses
- An overview on the legal framework to become selfemployed and to incorporate a limited company in Spain



Unemployment, in % of active population (annual average)

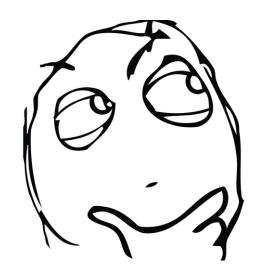


Source: **Eurostat**



Part of the solution?

High unemployment? Crisis?

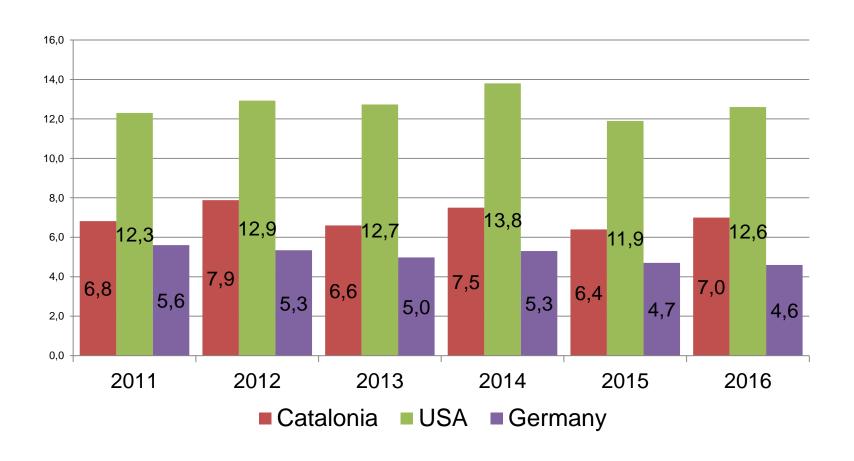




Let's foster entrepreneurship!



% of population 18-64 years involved in entrepreneurship*



^{*} Businesses between 0-3 years

Source: **GEM**



TOP-10 growing sectors in Spain (in number of companies)

2013-2017 (Var. in %)

18% of total

- 1. Professional, scientific and technic activities (+31,4%)
- 2. Consulting and management activities (+30,2%)
- 3. Creative, arts and entertainment activities (+23,8%)
- 4. Education (+23,8%)
- 5. Postal and mailing activities (+23,8%)
- 6. Real estate activities (+23,5%)
- 7. Sport activities (+21,8%)
- 8. Association and cultural activities (+21,7%)
- 9. Business support activities (+21,4%) (call centers, event organization, packaging...)
- 10. Telecommunications (+19,3%)

Source: DIRCE (INE)



TOP-10 sectors in Spain (in number of companies)





hairdresser's, dry cleaners, funeral services...)

Source: DIRCE (INE)



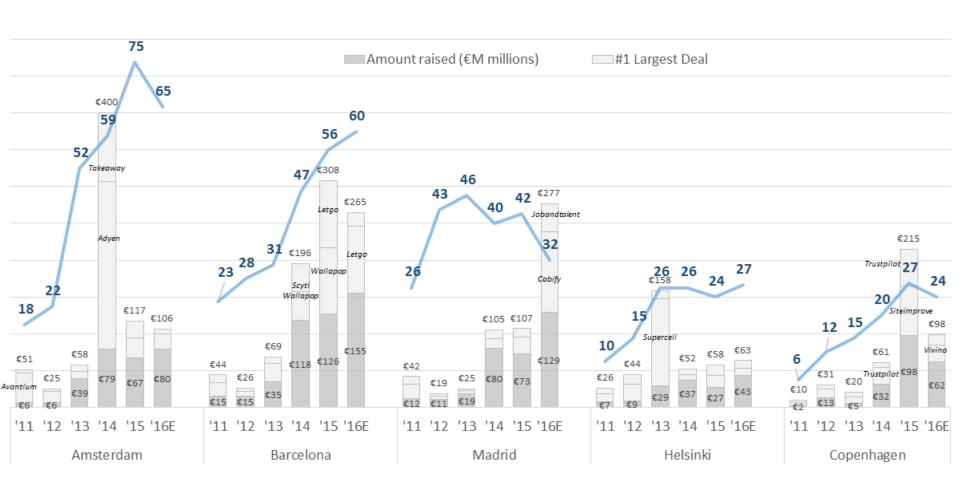
Investment in start-ups Q1-2011 Q3-2016 (million €)

	London	Berlin	Paris	Tel Aviv-Yafo	Stockholm	Amsterdam	Helsinki	Madrid	Barcelona	Milan	Geneva	Zurich
Fintech	2,031	305	202	128	582	262	9	66	38	52	-	1
Food	348	1,300	245	7	27	55	6	12	12	2	-	
B2C Services	409	901	35	2	3	69	_	28	26	4	-	
Music	224	212	234	7	1,824	1	2	_	-	4	7	
Telecom	291	8	198	77	76	9	_	23	6	_	59	
Marketing	803	142	409	307	69	20	7	2	11	9	_	
Fashion	380	577	366	16	33	3	_	8	29	2	_	
Travel	358	233	277	237	1	25	6	74	27	4	1	
Transportation	113	174	327	260	8	10	2	68	2	3	-	
Back office	274	88	125	47	31	31	-	2	9	5	2	
Analytics	291	84	44	233	24	56	8	4	13	8	-	
Wellness	239	21	5	0	12	4	12	23	11	1	_	
Content	273	104	159	258	104	15	8	5	9	1	_	
Hosting	171	24	5	_	_	2	23	_	_	_	_	
Real estate	176	69	12	_	1	_	_	0	2	0	_	
Home	127	325	20	1	1	5	_	_	3	6	_	
Developer tools	78	20	28	48	1	16	2	4	1	_	_	
Merchant tools	181	8	18	23	28	5	1	0	0	1	_	
Security	101	4	44	547	13	3	1	3	96		61	
Learning	91	55	41	5	5	6	7	0	14	5		
Healthcare	65	21	49	37	48	3	19	3	9	_	_	
Energy	48	39	30	_	2	23	_	1	4	_	_	
Search	112	111	14	51	6	11	1	17	18	6	_	
Internetofthings	34	17	31	46	11	1		1	0	1	_	
Cleantech	67	40	37	7	7	30	25		1		_	
Jobs / recruitment	91	14	56		3	0	2	79	39	3	1	
B2C Productivity	81	75	30	21	24	1	6	3	-	2	_	
Gaming	130	49	18	38	93	5	184	6	48	0	_	
Home appliances	2	14	2	-	-	5	-	-	-	0	_	
Sports	64	15	2	24	0	1	1	_	0	1		
Collaboration	86	35	13	10	11	13	0	0	4	_	2	
Semiconductors	2	- 33	5	-	- 11	- 15	10		2			
			73			2	0		9			
Agency	70	4		0	5			3		3		
Logistics	5	55	39 7	2	3	1	18	19	9	-	-	
Publisher tools	18	18		92	-	13	3	0	22	0	40	
Workspaces	32	0	2	1	1	2	_		_			
Info services	17	13	1	1	0	3	-	0	16	4	_	
Kids	24	0	5	-	11	1	1	4	0	2	-	
Legal	20	0	2	2	3	1	3	_	5	0	-	
Robotics	9	_	2	23	_	_	_	_	_	_	_	
Agritech	4	3	0	8	5	1	_	0	-	-	-	
Events	76	45	9	9	-	2	-	39	0	3	-	
Daily deal	56	30	18	0	13	20	_	4	30	2	-	
Government	-	-	-	23	-	-	-	-	-	-	-	
Pets	15	-	-	-	1	_	_	0	1	1	-	
Books	8	2	4	-	2	0	-	-	-	-	-	
Dating	2	0	23	-	-	-	-	-	-	-	-	
Poker / gambling	2	3	_	_	_	_	_	_	_	_	_	
Construction	_	0	4	_	_	-	_	_	_	_	-	

Source: Dealroom.co data



Venture capital raised by city



Why Investors Are Looking To Barcelona For The Next Big Thing

Source: Dealroom.co Data



Entrepreneurship ecosystem

- Regulatory-framework incentives
- Entrepreneurship strategy of the government
- Financial support

Policy

- Early adopters
- Distribution channels

Finance

- Micro-loans
- Angel investors
- VC's

Human capital

Markets

- Skilled/unskilled
- Educational institutions
- Specific entrepreneurship training

Culture

- Visible success stories
- Tolerance of risks, mistakes, failure
- Support
 - Entrepreneur-friendly associations
 - Support professions: legal, accounting...
 - Incubators, accelerators, clusters

Source: Daniel Isenberg, BABSON



Policies to promote entrepreneurship

- Single point contacts to set up a business in Spain.
- Social Security "discounts" for new self-employed.
- Unemployed people can receive, in a single advanced payment, the 100% of their unemployment subsidy to start their own company.
- Online directory "Serveis per emprendre" / Public programs <u>Xarxa Emprèn</u> and <u>Start-up Catalonia</u>.
- <u>Express procedures</u> for residence and work of non-EU entrepreneurs and investors.



PAE's: "Help desks" for entrepreneurs

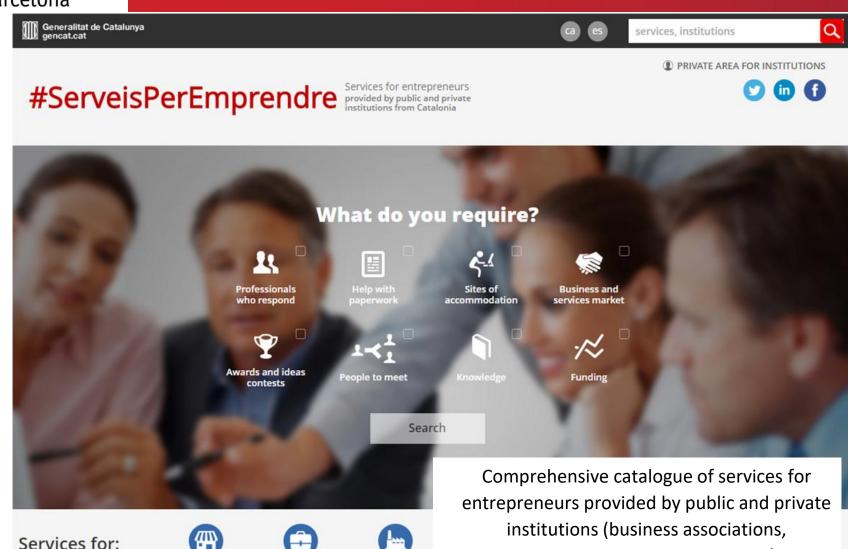




Online directory of services for entrepreneurs

universities, private investors...)

and cooperatives



Ancillary industry

and logistics

companies

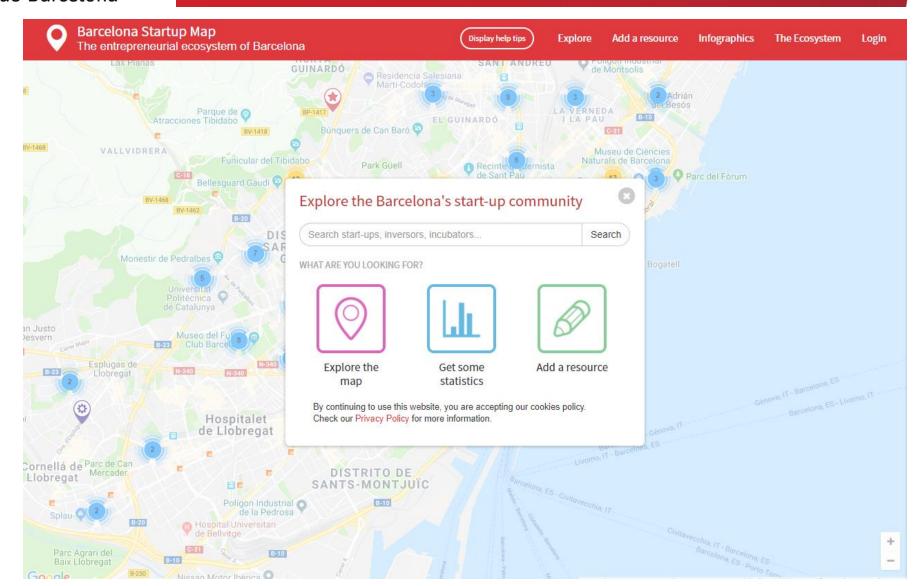
Trader or store

Professional

services



Online directory of services for entrepreneurs





Public programs in Catalonia

- ►First stage entrepreneurship: Xarxa Emprèn
- ► Second stage entrepreneurship: Start-up Catalonia.

The Catalan Government launched it in 2014:

- Addressed to new companies with high growth potential.
- It comprises 2 different programs: one focused on accelerate the first sales and another one focused on internationalization
- Duration between 6 and 8 months
- Mentorship to professionalize teams (from entrepreneur to businessman) and help the start-up grow



Public institutions in Barcelona



Oficina d'Atenció a les Empreses

- Services addressed to entrepreneurs and SMFs
- Training seminars
- Specific <u>programs</u> (ecommerce, tourism, handmade...)
- Landing services



Social Security discounts and unemployment subsidy to start-up

- The Spanish Government provides a <u>Social Security</u> discount on the <u>contribution basis</u> (80% first 12 months, 50% next 6 months and 30% next 6 months) to people who want to establish themselves as self-employed workers.
- You do not have to apply for the discount, it is automatically applied
- ►Unemployed people can receive, in a <u>single advanced</u> <u>payment</u>, the 100% of their **unemployment subsidy** to start their own company.

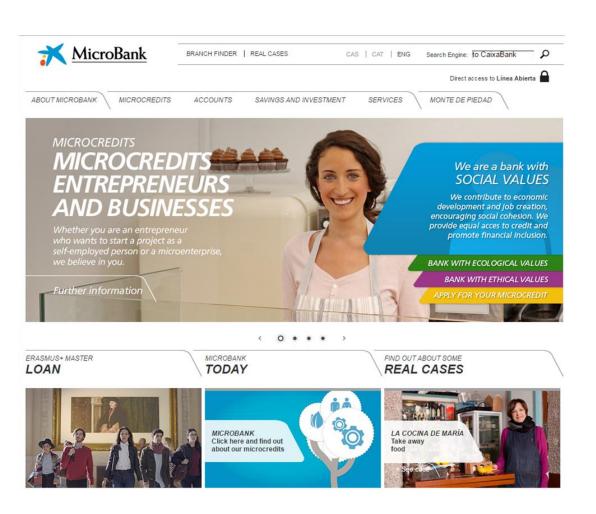


Entrepreneurship ecosystem: finance

- Micro-loans (Microbank)
- Equity loans (ENISA)
- Public financial institutions: ICF and ICO
- Angel investors networks



Micro-loans



- Loans with no collateral or guarantees required
- The loan is acquired by the individual, not the company
- Limited to 25,000 €
- Usually higher interest rate than conventional loans, but no bank fees instead
- Approval criteria: provide a viable business plan validated by institutions (Chambers of Commerce, Local Government Agencies...), be a trustworthy entrepreneur (no defaulted debt)
- Microbank



Micro-loans programs: pros and cons

Pros	Cons				
No financial guarantee (property, payroll) is required	Limited to 25,000 €				
Approval based on confidence, and a business plan endorsed by the Chamber	The loan must be used for fixed investment (facilities, equipment)				
Fixed interest rate (better prediction of cash flows)	High interest rate (6.25%)				



ENISA: public company that finances viable and innovative enterprises through equity loans





ENISA: public company that finances viable and innovative enterprises through equity loans

Approval criteria

- Applicant must be SME and limited company (no large companies, no sole traders/freelancers)
- Company's registered office in Spain
- <u>Business plan</u> that reflects the technical and economic viability of the company
- Good management team (no one-man companies)
- Financial autonomy. It requires a contribution of equity by the founders, at least equal to the amount requested from ENISA.



Public financial institutions: ICF



Institut Català de Finances

Institut Català de Finances (ICF - Catalan Finance Institute) is a public financial institution founded in 1985 and owned by the Government of Catalonia. ICF's mission is to foster and improve access to funding for enterprises in Catalonia in order to contribute to the growth of the region's economy, complementing the private financial sector.

The institution offers companies a range of products and services in the area of corporate finance, focusing on loans and guarantees and venture capital initiatives.

ICF is member of the European Association of Public Banks (EAPB), which gathers the majority of public European banks and financial institutions.



Apply for your funding

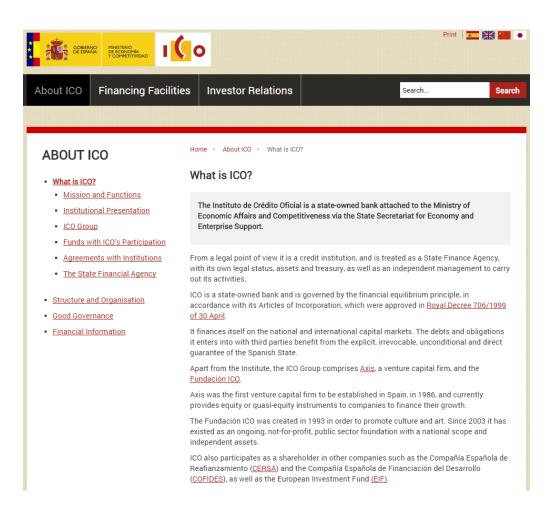
How to apply for ICF funding

Let us help you +34 902 227 237 consultes@icf.cat

- Company must be based in Catalonia (registered office/legal address)
- ICF loans: some are direct financing facilities, other are second-floor facilities (loan approved and default risk assumed by commercial bank)



Public financial institutions: ICO



- Companies must have a registered office in Spain
- ICO <u>second-floor</u>
 <u>facilities</u> for
 entrepreneurs
 and SMEs



Angel investors: main networks in Spain



AEBAN is the Spanish Association of angel investors networks

Most active networks in Catalonia:

ESADE BAN

Xarxa d'Inversors Privats i Family Offices de

<u>l'IESE</u>

Keiretsu Fòrum BA Barcelona

Business Angels Network Catalunya

BCN Business Angels

EIX Technova

Antai Business Angels

SeedRocket

NECOTIUM

Know Capital BA

First Tuesday

Col·legi d'Economistes de Catalunya



Entrepreneur-friendly associations





BLE Proyectos Emprende en Barcelona Agenda Blog Colabora





Bienvenid@ a BLE

BLE es una iniciativa de base social que tiene como misión convertir Barcelona en referente europeo en sectores de alto valor y sostenibles con Catalunya. ¿Te unes a nosotros?



Manifiesto

Nuestro Manifiesto nos sirve de guía, inspiración y hoja de ruta en la labor diaria como activistas de BLE. Si te sientes identificado con él, ¡ayúdanos a difundirlo!



Blog

En BLE queremos que nuestra comunidad esté al día de todas la novedades, noticias y actualidad sobre el emprendimiento. ¡No dejes de visitar nuestro BLOG!

Barcelona Loves Entrepreneurs

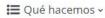
BLE connects the "circles" of the ecosystem by hosting informal events, dinners, afterworks on specific topics/sectors

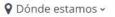


Entrepreneur-friendly associations











SECOT

Retired entrepreneurs/ executives

Individual counseling and mentoring

Training (business plans, marketing, financial management...)



SI UN EMPRENDEDOR TIENE UNA IDEA, DEBE LLEVARLA A CABO. ¿TE AYUD

Quiénes somos:

Seniores Voluntarios retornando a la sociedad los conocimientos y habilidades directivas alcanzadas.

25 años apoyando la creación y consolidación de puestos de trabajo.

Quieres COLABORAR en Secot?

Nuestra propuesta de Orientación:

- Plan empresa y viabilidad; Método CANVAS.
- Análisis de las áreas de gestión de la entidad o empresa.
- · Servicio de continuidad mediante tutorías.
- Ayudas / Financiación; mediación.

¿Quieres que TE AYUDEMOS? ै

Nuestra propuesta Empresarial:

- · Conferencias monográ
- · Jornadas de Reflexión
- · Escuela Secothon de
- Club Secotbon



Support professions for entrepreneurs



Professional associations
"Gestores administrativos":
comprehensive services on
legal, accounting and
labour issues

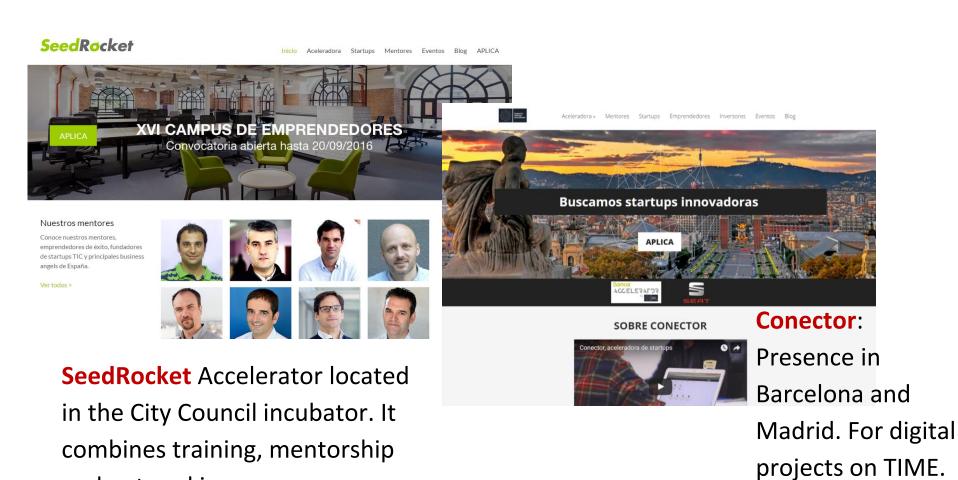


and networking

Support: Incubators, accelerators

Teams, not sole

traders.





Support: Incubators, accelerators

City Council incubators in Barcelona:

Glòries Business Incubator: for new businesses (<1 year), must have a viable BP validated by Barcelona Activa

Almogàvers Business Factory: to be admitted, you have to be connected to some of the partners of the City Council (UPF, Cowocat, Incubio, EGI Group...)



Spanish red tape?





Setting up a business in Spain

- There are two basic ways to set up a business in Spain:
 - As a sole trader (autónomo)
 - As a limited company (Sociedad Limitada, Sociedad Anónima and Cooperativa being the more common forms of companies)



Becoming self-employed in Spain

When you are an "autónomo", you run your own business as an **individual** and are **self-employed**.

That means you're personally responsible for any losses your business makes.

You can employ staff - being an "autónomo" means you're responsible for the business, not that you have to work alone.

Details of the proceedings to become self-employed here



Incorporating a limited company in Spain

The Limited Liability Company is known as S.L or S.R.L (Sociedad Limitada, Sociedad de Responsabilidad Limitada)

The minimum capital is €3,000 and must be fully paid in at the time of formation. It can be either cash or non-cash contributions (no taxation is required for non-cash contributions)

Number of shareholders: minimum 1, no maximum

Details of the proceedings to incorporate a limited company here



Weak spots of the ecosystem

- Tax scheme not adapted to early stage business / self employed
- ▶Red tape, especially for brick-and-mortar businesses
- Lack of VCs investing in seed/early stage businesses
- Poor communication among the agents of the ecosystem
- No real second chance in case of failure (most debts are not eligible)



Weak spots of the ecosystem

MARC PARISH Cofundador de Crowdcube España

BLANCA CALVO BARCELONA

Arran de la seva experiència a Crowdcube España, una empresa dedicada al finançament alternatiu online, Marc Parish deixa Barcelona per tornar a Stanford a cursar un MBA (Máster en Administració i Direcció d'Empreses).

-¿Què el va portar a Barcelona?

-La veritat és que no vaig venir a Barcelona pel sol, la platja ni l'arquitectura. Vaig venir perquè vaig veure una oportunitat de negoci, Ja estava treballant en l'àrea del rowalfounding a Kenya i volia continuar en aquest món. Vaig saber que els meus futurs companys estaven fundant Crowdcube. Vam parlar, vam veure que l'oportunitat existia i vaig decidir incorporar-me a l'equip. Vaig arribar a Barcelona sense cap expectativa i vaig quedar al·lucinat amb tot el que oferia.

–¿Per què van escollir Barcelona per començar el seu negoci?

-Barcelona no és Londres ni Silicon Valley, però a l'investigar una mica vaig veure que hi havia molt suport per als emprenedors: el 22@, Barcelona Activa i empreses que s'estaven internacionalitzant. A més a més coneixia gent que havia vingut aquí a emprendre perquè es podia viure molt bé i treballar en els espais de coworking.

-¿I va ser així?

-Quan vaig arribar vaig veure que hi havia moltes ajudes i oportunitats però eren molt dificils de trobar: el que més em va costar va ser trobar la informació. Abans de venirvaig donar per fetque em trauria un visat d'emprenedor, però vaig tenir molts problemes per fer-ho. No hi ha cap iloc on, com a persona no europea, pugui anar per informarme sobre el procés del visat i la part d'impostos.





«Si volem un ecosistema d'innovació a Barcelona, hi ha d'haver més comunicació»

-¿I què ha resultat ser el millor d'aquesta ciutat per emprendre?

-Hi ha un sector emprenedor amb moltes ganes i que realment vol canviar el món amb els seus productes. Em vaig adonar que hi havia moltes conferències molt interessants, amb uns ponents d'un gran nivell, però que sovint estaven gairebé buides. Que hi hagi tanta oferta demostra que hi ha un gran interès, però s'ha de gestionar aquesta oferta per augmentar l'assistència.

-¿Què li falta a la Barcelona emprenedora?

-Hi ha un element que m'ha semblat molt sorprenent: la gent que treballa en el món de les start-ups i la tecnologia no és tan oberta com a San Francisco o Londres per compartir les seves idees. De vegades, la gent és reticent a parlar dels seus plans d'innovació i això impedeix que es creï la sensació que entre tots estem creant un ecosistema d'innovació. l perquè a Barcelona surtin bones i interessants idees hi ha d'haver necessàriament coHaboració entre les persones creatives: ningú podrá fer una empresa com per exemple Google sol. A la ciutat de San Francisco si jo vull prendre'm un café amb un alt carrec d'Airbnb probablement farà un forat en lla seva agenda per parlar amb mi. Lencara que no em reveli informació crucial, m'aconsellarà i em farà de mentor.

-Vostè ara se'n va de Barcelona per estudiar als Estats Units, ¿tornarà?

-M'encantaria, potser el tema del salarí és un problema perquè me'n vaig a estudiar un MBA que hauré de finançar. Lamb el salari mitià de Barcelona, hauria de dedicar el 100% del que guanyés a pagar el préstec. Aquest és un altre punt sobre el qual Barcelona hauria de reflexionar. Tincamics que vénen a fer el seu MBA a IESE o ESADE i que quan acaben volen quedar-se aquí. No obstant, els salaris de Barcelona no els permeten pagar el finançament que han demanat. Tenim les escoles que atrauen el talent i la gent vol quedar-se aquí, però no s'ho pod en permetre.

-¿Alguna cosa que no es pugui deixar de fer si es visita Barcelona?

-Hi ha molt bon menjar. I després... caminar. Jo camino pels carrers de la ciutat i em perdo pel Born, per tot Ciutat Vella. També m'agrada Montjuïc, la Fundació Joan Miró... La veritat és que hi ha tantes coses a fer que és realment dificil dir només una cosa... Marc Parish, Co-Founder of equity crowdfunding platform Crowdcube



Thank you!

Paloma Miranda Santos
Cambra de Comerç de Barcelona
pmiranda@cambrabcn.org
902 448 448 Ext. 5454

Av. Diagonal, 452 08006 Barcelona