EMBASSY OF THE UNITED STATES OF AMERICA

cefe Macedonia

Conclusions
Unique conference:
"Strengthening the entrepreneurial ecosystem in Macedonia"

(Educational, public and private sector together for the future of entrepreneurship)

ИНВЕСТИРАЈ

Date: **June 19, 2015**
Time: **11.00-16.00h**
Location: **Hotel Capri - Bitola**

Introduction: Economic actors and policy makers in Macedonia seek solutions to create new jobs and stimulate economic growth. So today there is a need of new and innovative companies, but many challenges still stand in their design and development.

Through this conference we wanted to contribute to:
- Identification of current and future actors in the entrepreneurial ecosystem,
- Highlighting some of the barriers to the creation and development of new companies, and how to solve them,
- Identifying steps that policymakers can take further to develop the entrepreneurial ecosystem in the country,
- Finding innovative ideas for collaboration between actors in the system, thus resulting in high-growth entrepreneurship.

The conference was designed for: students, employees, unemployed, potential and existing entrepreneurs, representatives of institutions that support entrepreneurship, financial institutions, NGOs, public institutions policy, leaders and representatives of business incubators and accelerators, business angels, banks, etc.

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Agenda

Time	Activity	Speakers
10.00 – 10.45	**Registration of participants**	
11.00 – 11.15	Opening remarks	Project team
11.15 – 12.30 Parallel session 1.1	Key actors in the Macedonian entrepreneurial eco-system: The role of business accelerators, business angels and philanthropy	- Jovan Madzovski - Nikica Kusinikova
11.15 – 12.30 Parallel session 1.2	Key actors in the Macedonian entrepreneurial eco-system: The role of the educational system and intermediary organizations	- Konstantin Petkovski - Petar Kotevski - Violeta Nikolova
12.30 – 13.00	Coffee break	
13.00 – 14.15 Session 2	Policies for promotion and strengthening of the entrepreneurial eco-system in Macedonia	- Jeshim Sefulovska - Jasmina popovska - Violeta Nalevska - Zoran Vitanov
14.15 – 14.45	Closing of the project	Presentation of the results of the project
14.45 – 15.30	Networking and cocktail	

Conclusions

Session 1: **Key actors in Macedonian entrepreneurial ecosystem**
The fact is that entrepreneurship is developing in an environment where there is functional entrepreneurial eco-system composed of: mix of startup companies, large companies, universities, financial funds, strong institutions, research centers and market. Certainly the increased interest in "entrepreneurial ecosystem" occurs in many countries and regions around the world, because everyone wants to create something like Silicon Valley.

General questions for discussion Session 1:

- What are the motives for the development of an entrepreneurial ecosystem?
- What are the key players in the Macedonian entrepreneurial eco-system?
- How do we differ from other regions in the world – speaker's experiences.

Parallel Session 1.1: Key actors in Macedonian entrepreneurial ecosystem

- The role of business accelerators and business angels for development and support of entrepreneurship in Macedonia
- The role of philanthropy in support of entrepreneurship
- Where are we and where do we need improvement?

Speakers:
Jovan Madzovski - Regional Director of CEED Macedonia, Albania, Bosnia and Herzegovina, Moldova and Serbia
Nikica Kusinikova – Executive Director of the Association for promotion and encouraging corporate social responsibility "Konekt"

Moderator: Natasha Alabakovska

The moderator presented the speakers and explained the goal of the session in which the focus was given to business angels and philanthropy in support of the entrepreneurial ecosystem.

Jovan Madzovski presented CEED Macedonia as one of the key players in the entrepreneurial ecosystem. CEED has 12 centers and CEED has been working in Macedonia since 2007. He said that in the world there are a range of ecosystems where the players are offering different type of business support, and this is one way how to start fast business. Also he explained that in the world there are profit and nonprofit players who offer help for launching a business; the former incubators now co-working spaces, accelerators that are similar to the previous but differ in that they offer finances for the business idea. Macedonia is far from other ecosystems in the world. In addition he

discussed how various players offer support to startup companies in the ecosystem. Here he mentioned and the business angels. Then he explained the investment funds that are different from business angels by having functional management with the ultimate goal - to return the money they have invested. He mentioned the stock exchange as well. In Macedonia there is a debate whether one can speak about a case that reached the Stock Exchange. Universities, organizations and institutions offer assistance in terms of knowledge, for example in the field of law, contracts, etc. All this exists in Macedonia, but in the world we can talk about more than 100 examples and in our country, in our case - only for 2. CEED is a business club that provides assistance to the companies to a third level of management and founders, they are less focused in dealing with employees. He explained the components of the club. The projects are the first part. This summer they are starting activities with entrepreneurs from Bitola and the region, for now there are 12-13 already included. CEED has this type of activities in the 8 remaining regions as well. The second part of the club is the information portal or Business Info, because they realized that there is a lack of business information due to the current political situation in the country. Third part of the club is education - the daughters and sons of the club members on age from 8-18 years. Through these activities, they want to prove that the aim is not to be a top entrepreneur, but a top professional. They want to change their way of thinking. Another integral part of the club are the business angels. Not always it comes to investment in money.

Nikica Kusinikova - what she believes is the key to an ecosystem is that existing businesses should be aware of what they can do to help other businesses. Her goal is to encourage them to invest in the sector. There are several levels how companies can do this. The base is ethical manners. She regularly receives complaints from small companies for the treatment of major companies in the sector, taking, not investing. Another level is to invest directly in the companies, to help them to have new business partners. Instead of giving money to charity, they can provide small grants, technical support for local economic infrastructure, etc. Unfortunately in Macedonia this is a rare practice. According to their survey, companies are giving funds for religious facilities, sports clubs, etc., but not for entrepreneurs. A successful example and story from Macedonia was mentioned the company Ekolog from Polog.

Questions:
Are there methods for business angel how not to convert in business devil?
Jovan Madzovski – the protection is that business angel should not have more than 51% ownership of the business. But business angels have expectations of the entrepreneur. In reality there are different variations on the topic.
Are there other clubs of business angels? Recommendation: do not lose control over the business, so we should not be talking about investment but about partnership.
Jovan Madzovski - there are other clubs and there is a need of existence of more of this type clubs. Risk will exist, but business angels are active entrepreneurs.

Kusinikova and Madzovski – developing of mentorship from the companies for associations or small companies, such marketing or PR for another company, example "Image PR"
In which industries the business angels invest and which industries are proactive for philanthropy:
Jovan Madzovski - no focus, although IT has an advantage
Nikica Kusinikova - smaller companies and companies in similar and related industry / sector, who understand the sector.

Session 1.2: Key actors in the Macedonian entrepreneurial ecosystem

At the beginning of this session the moderator Prof. Mimoza Bogdanoska Jovanovska introduced the topic of the session and speakers:

- How do the universities motivate students to think in entrepreneurial way?
- How the intermediary organizations develop entrepreneurship (business centers, business incubators, technology parks, financial institutions, etc.).
- Where are we and what needs to be improved - from the aspect of creation of new enterprises?
- What type of actions are needed to improve the ecosystem?

Speakers:
Konstantin Petkovski - Professor at the Technical Faculty in Bitola
Violeta Nikolova - MBA, Director of the Center for Women Entrepreneurs Skopje
Peter Kotevski - Representative of the business sector - owner of the company for production of video games "Kamaj Media" - Bitola

At the beginning Prof. Petkovski had a thorough presentation on the importance of entrepreneurship within the education; it is very important to encourage the entrepreneurial spirit of students starting from the primary and secondary schools. Further was discussed that the banks do not support enough entrepreneurs and that besides universities, it is desirable that banks think to be founders of Business Incubators.
The next presenter Petar Kotevski said that the time has passed when no one knew what the entrepreneurship is and that further attention should be paid to the opportunities for networking for entrepreneurs. Peter also discussed how we always try to find a ready (final) solution and copy it, instead ourselves to think how we can find a solution and solve the problem. As an entrepreneur you need to understand that you should bear the risk by yourself and do not always hope someone else from outside to help us and others to solve our problems.
Violeta Nikolova gave views on what it means to have a healthy eco system in one economy, how to strengthen the entrepreneurial environment, the importance of the need for quality education, then the need for regionalization given the fact that Macedonia is a small market and what type of business culture of helpfulness we have in our society.

The presentations of the speakers were followed by discussion, where were covered a variety of topics on how universities encourage students to be entrepreneurs and intermediary organizations in Macedonia to develop entrepreneurship. During the discussion there was a point on how the problem in Macedonia is cultural, i.e. in attitudes, because knowledge and skills can be acquired easily, but you need to change the attitudes of young people in Macedonia in terms of entrepreneurship. Usually they enroll in college just to come to the graduation and expect to work in the public administration, so in the meantime, the state becomes the largest employer. Also it was discussed that the client of the faculties is not the student but the employer, the owners of the enterprise and the Universities should orient their curricula according to the market needs. The point of the educational system is to encourage unmotivated students, because those already motivated, achieve good results anyway. Next it was highlighted that the Universities should not be the only one blamed for the development of entrepreneurship; the problem derives from elementary and secondary schools.

In conclusion of the session it was that, not only universities, but also primary and secondary schools should be active promoters of entrepreneurship among students. Education is a key link that will create new generations of entrepreneurs who themselves will create jobs. Every big business started as a small and there are intermediary organizations that offer support to entrepreneurs and there is need in Macedonia to have more information on where to find business support. Being an entrepreneur requires courage, endurance (no matter how many times you fail) and a commitment to the idea and goals. Networking and the existence of places where entrepreneurs can find their business partners and customers is very important and it is necessary intermediary organizations to think more in this direction.

Session 2: Policies to promote and strengthen the entrepreneurial ecosystem in the country

Policies and laws play a major role in developing the entrepreneurial ecosystem and cooperation between the actors. But we need evidence to see which approaches, programs and policies are effective and produce results. In this session, those involved in policy-making shared their experiences, views and practices.

General questions for discussion Session 2:

- Fresh example of policies that have encouraged the development of entrepreneurship in Macedonia
- What do the state institutions do to encourage entrepreneurship?
- Examples of policies that have been effective or ineffective
- Which of the proposed ideas and policies could be adopted by Parliament and how they would be the most efficiently implemented?
- What policies or incentives may be most effective in cooperation between the startups with state institutions and large companies?

Speakers:
Jeshim Sejfulovska - Head of Employment State Agency-branch Bitola
Jasmina Popovska - Director of the Fund for Innovations and Technological Development
Violeta Nalevska - Head of Department for Local Economic Development, Municipality of Bitola
Zoran Vitanov - co-owner of Trade Consulting LLC and co-founder of "CEFE Macedonia"

All participants presented their institutions and strategies about the development and support of entrepreneurship.
One of the news from the Employment State Agency and programs for employment and supporting young people is that now the under the internship program there is no obligation for employment by companies as it was before.

Jasmina Popovska from the Fund for Innovations explained that was implemented one project for start up and spin off - first of its kind in Macedonia.

Two major problems were identified in Macedonia:

- Access to funding
- Skilled Workforce

One important conclusion of the participants was that it might be better to build (make) IT platform (website) that would serve as a market for all contacts for successful entrepreneurs, startups, and guidance where entrepreneurs in Macedonia can network and find business partners working in same or similar industries and they can exchange experiences as well.
Another conclusion was that the entrepreneurs now can already talk about the ecosystem where they can find in one place support and guidance. So it is a whole ecosystem that as newer term is used to emphasize the importance of all actors in this system, together with the entrepreneur.
As a suggestion for CEFE was given the following:
Paying more attention to the legislation; providing guidance on which legal structure is better for the entrepreneurs when launching business.
Other suggestions: more consistency among state institutions for information about entrepreneurship. Promote the cooperative as an opportunity for legal form of company not just a LLC or sole proprietor. Offering opportunities for business networking online.