Let’s work together for an innovative Poland!

Policy statement
We are the voice of the Polish startup community

1 STARTUP POLAND FOUNDATION ............................................................. 04
2 THE STATUS QUO OF THE POLISH ECONOMY ................................... 08
3 WHY STARTUPS? ..................................................................................... 12
4 OUR PROPOSALS .................................................................................... 16
5 WHAT COULD UNLOCK THE POTENTIAL OF POLISH STARTUPS? .......................................................... 18
   • FAVORABLE REGULATIONS AND TAXES ........................................... 19
     More tax incentives for business angels .............................................. 19
     More modern investment mechanisms ............................................. 21
     Simple procedures for foreign investors .......................................... 22
   • BETTER ACCESS TO FINANCING ..................................................... 23
     Easy access to so-called smart money ............................................. 23
     Higher effectiveness and availability of financial assistance from the European Union .......................................................... 24
     Equity crowdfunding provisions ..................................................... 25
   • EASIER ACCESS TO TALENT .............................................................. 26
     Provisions conducive to hiring professionals from outside the European Union .......................................................... 26
     Provisions to encourage entrepreneurs from outside of Poland to establish startups in our country .......................................................... 27
• EDUCATION PROMOTING ENTREPRENEURSHIP AND PROGRAMMING SKILLS ................................................................. 28
  More reputable incubators/accelerators "nursing" startups ........ 28
  Entrepreneurship and programming education from an early age................................................................................. 29
• STARTUP-FRIENDLY INFRASTRUCTURE ........................................... 32
  Open data in public institutions .......................................................... 32
  Contact Point for startups in the offices .......................................... 33
  Friendly procedures for obtaining financing with municipal public funds................................................................. 34

6 LET’S WORK TOGETHER FOR AN INNOVATIVE POLAND! .... 36
7 GLOSSARY OF TERMS ................................................................. 38
1 STARTUP POLAND FOUNDATION
Who are we?
We are a group of young entrepreneurs who want to be the engine of growth of the Polish economy. What unites us is our enthusiasm and eagerness to work. Many of us have created companies from scratch, that achieved success in Poland and abroad. We owe our success to creative and innovative ideas and the use of modern technology. We believe that in this way we are shaping the future of our country’s economy.

Our goal:
Identification and elimination of barriers that limit the rapid development of young companies and recommending measures to stimulate technological entrepreneurship. Good regulations supporting startups will accelerate GDP growth, contribute to the creation of thousands of jobs and counteract the process of brain drain, that is the emigration of the best and brightest citizens. Thanks to the cooperation of innovators with the public administration community Poland has a chance to become a country of innovation.
Our vision

We believe that Poland has an unlimited potential for innovation which has to be utilized. Thus the importance of startups – new companies with huge prospects. Technology allows us to turn the innovative ideas of young Poles into projects of global reach. In order to take full advantage of all the opportunities and potential, we need an ecosystem supporting their development.

How do we want to achieve this?

This is why we have established the Startup Poland Foundation which represents our community – innovative entrepreneurs. Our goal is to build awareness of the great potential of startups among decision-makers, politicians and local government officials. We are ready to be a partner in talks with everyone who – like us – wants Poland to build its global position on the basis of an innovative economy, created by talented and creative young entrepreneurs.
2 THE STATUS QUO OF THE POLISH ECONOMY
AS YOUNG, INNOVATIVE ENTREPRENEURS
WE WOULD LIKE TO POSE A QUESTION:

How durable are the foundations of the Polish economy?

Up to this point the competitiveness of our country’s economy depended mainly on low-costs and a flexible currency exchange rate. This allowed Poland to go through the global crisis avoiding a recession and to ensure steady economic growth. However, it's not enough to enter the group of the most dynamic economies in the world. The report of the World Bank entitled "Europe 2020 Poland"¹ doubts whether Poland could return to a GDP growth rate of over 5% while continuing on the path of the current economic policy.

Meanwhile, according to the recommendation of the Innovation Union Scoreboard 2013², prior to entering the Euro Zone, Poland should improve the competitiveness of its economy. This can be achieved by increasing effectiveness and innovation. They will be the foundations of a new competitive advantage. The previous one – resulting from the low manufacturing costs – is running out. It worked well for 25 years since 1989.

http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/09/21/000386194_20120921031745/Rendered PDF/728150WP0Europe00Box371919B00PUBLIC0.pdf

² Innovation Union Scoreboard 2013, European Commission,
WE FIRMLY BELIEVE THAT...

We need a new engine of growth

We must act decisively and effectively, because other economies, which have already decided on innovation are beginning to leave us behind. Meanwhile, the percentage of Polish industrial and service companies, in particular small and micro-sized companies, that are investing in innovation is dramatically low and has been declining for years – according to data from the Central Statistical Office. According to the Innovation Union Scoreboard 2013, Poland is ranked the 24th among the 27 EU member states.

What is the obstacle to unlocking the potential of innovation?

• Cultural and institutional factors. Polish companies often do not see the benefits of investing in innovation and the institutional framework is not conducive to such activity. Increasing the innovation of our economy will help to increase work productivity. (Innovation Union Scoreboard 2013)

• A regulatory and structural environment blocking entrepreneurship and creativity. Without innovation, the current model of economic growth will run out in the years 2020-2025 (Instytut Badań Strukturalnych 3)

WHY STARTUPS?
IN OUR OPINION

Startups are the essence of Polish entrepreneurship, diligence, independence and resourcefulness in the 21st century. The same one, which lifted the Polish economy in the transformation period following the year 1989. There is an ever increasing number of mature innovative companies which strengthen and develop the Polish startup ecosystem.

Startups will make a difference, because:

They create jobs

Poland needs new stable jobs – such a statement appears very frequently in the public debate and among the priorities of the government development strategies. However it is a fact, that the Polish entrepreneurs from the sector of innovative industries have the greatest potential for creating new jobs. These are high-quality positions, highly resistant to economic fluctuations (future-proof).

Contrary to popular belief, startups do not solely employ IT professionals, but also specialists from other fields: lawyers, designers, analysts, marketers, etc. Each new job in the sector of high technologies translates into 4 additional jobs in the local economy (spill-over effect)\(^4\). The large-scale stimulation of the entrepreneurship typical of Polish people could reduce the level of structural unemployment in our country.

They will retain and acquire talents

For many years Poland has been struggling with the problem of the so-called brain drain, or the emigration of the most talented citizens – those with the potential to create startups and – as a result – to hire talented professionals.

To retain these people, we must create the conditions for starting and running a business in Poland at least as favorable as in the other EU countries, which are often favored by young entrepreneurs. We should keep in mind that moving a business to a country with more favorable conditions is really a matter of days.

The foundation of the success of startups is the skillful use of the benefits of modern technology. There is a need for high-class specialists, primarily software developers, who are increasingly hard to find on the market. One of the reasons is the significant increase in the cost of their labor. In order to support the innovative and enterprising spirit of the creators of Polish startups, it is necessary to focus on an immigration policy which will enable attracting workers from other countries with competitive wage expectations.
They will change the Polish economy

We want Poland to use its enormous potential for innovation and to become a nation of startups. Startups are the essence of entrepreneurship, and Poland can be a country that exports patents and innovation, and not just workforce. Successes achieved in such industries as biotechnology or programming demonstrate the unlimited potential of the Polish talent.

However, in order to fully utilize this potential, we need an ecosystem that supports the generation of innovation in Poland.

The axis of the activities of the Startup Poland Foundation shall consist in creative efforts for changes that will allow Polish startups to develop their full potential. We will support regulatory and market initiatives, both domestic and European, for the development of technological entrepreneurship and the development of startup financing infrastructure. We would like to invite to cooperation the central administration and the local government administration and other partners from the world of science and business.
Show your design in a web browser
Fastest way to show your design and get feedback from your clients or partners!

Upload project
Drop here or select your project, prepared in PNG or JPG file.

What is Symu?
Symu is an easy to use tool for web designers. With the help of our system you can present your projects in a browser for free. It's all very easy!

Register and use for free!
After registration you can save your work and track the number of views of your projects. You can also use an email notification system to check if a client has already opened your project.

Our Proposals
THE STARTUP POLAND FOUNDATION PROPOSES:

1. Promotion of startup investing culture.

2. Consultations with public sector regarding legislative changes that improve growth of the startup ecosystem.

3. Increase of the data's availability gathered in public offices, at every level of the government administration.

4. The position of Chief Technology Officer (CTO) at various levels of the administration – from the central government to local governments.

5. Increase of the attractiveness of Polish market to specialists from outside the EU.

6. Entrepreneurship education in schools from an early age, conducted by trained teachers with the support of practitioners.

7. Better and more effective incentives for the creation of "startup schools".

8. Simple procedures for the transfer of public funds.


10. Creating a complex support system and procedures for startup investors.
WHAT COULD UNLOCK THE POTENTIAL OF POLISH STARTUPS?
FAVORABLE REGULATIONS AND TAXES

More tax incentives for business angels

At the beginning of the life of a startup the role of business angels is crucial. Thanks to their support young companies have the opportunity to obtain funds, usually larger than their own initial contribution to the company. At this stage they do not yet have access to venture capital financing.

Business angels undertake significant risks – they invest their own funds without any guarantee of success of the financed project. We need legal solutions that will encourage business angels to greater activity in Poland. Unfortunately it is currently very limited.

Business angels are most active in countries that have implemented systems of tax incentives. In the European Union such solutions have been implemented by: Belgium, France, Ireland, Italy, Germany, Luxembourg, Portugal and the United Kingdom.\(^5\)

We propose the introduction of tax mechanisms that will significantly increase the interest of business angels in investing in young, innovative companies in Poland.

\(^5\) Zachęty fiskalne dla Aniołów Biznesu, Amber
http://www.amberinvest.org/pl/wydarzenia/zachety-fiskalne-dla-aniolow-biznesu/
In the United Kingdom, the mechanism of the Enterprise Investment Scheme (EIS) provides the investor with a tax break on the shares of the company in which he has invested. These investments concern small companies creating high-risk projects. The EIS is directed towards larger investors, who can receive a 30-percent tax break to the maximum amount of one million pounds.

On the other hand, the Seed Enterprise Investment Scheme (SEIS) – a derivative of the EIS, was introduced in order to encourage seed investments in companies at an early stage of development. The investors receive a tax credit in the amount of 50% of the investment, up to a maximum amount of 100 thousand pounds, and an exemption of the SEIS shares from the Capital Gains Tax (CGT). The maximum amount invested in a company may amount to 150 thousand pounds.

Studies from the year 2008 confirmed the positive impact of EIS on the development of start-ups, especially in terms of the increase of the potential of young companies.


https://ore.exeter.ac.uk/repository/bitstream/handle/10036/67875/hmrc44.pdf?sequence=1
More modern investment mechanisms

Maintaining clarity and the creation of simple investment instruments should be a priority in the amendment of the relevant provisions. The solutions used in the United States are a good example:

- 90% of American startups use the convertible debt mechanism. It is a loan granted by the investor, usually a business angel or a seed capital fund, with the possibility of conversion into shares following the fulfillment of certain conditions. The popularity of this mechanism results from the fact that convertible debt is a transparent document the terms of which are usually contained on a single A4 page, enabling the quick transfer of funds.

- The second popular mechanism is the option pool. In Poland, it exists in the form of the so-called phantom shares. It is an imitation of the American option pool mechanism, which allows for the existence of shares which are not allocated to anyone. In Poland, such a solution is not available to be used in a limited liability company, and is also very difficult to apply in a joint-stock company.

*We propose the introduction of a mechanism modeled on convertible debt, as well as enabling the use of the option pool in a limited liability company and a joint-stock company. In addition, we propose the promotion of standardized, transparent investment agreements based on the Polish law.*
Simple procedures for foreign investors

Foreign investors may be discouraged from investing in Polish startups by the excessively complex regulations. In the event a foreign investor is not able to personally sign a capital increase of a Polish limited liability company, which happens very often, he has to provide the following documents:

- The power of attorney
- The original of the extract from the institution equivalent to the Polish National Court Register
- Certification in the form of a notarial deed
- An apostille issued by the Ministry of Foreign Affairs

A similar situation occurs in the case of any meeting of shareholders after which a document is sent to the National Court Register. This definitely hinders and significantly prolongs the process of finalizing an investment and the transfer of funds, which may result in a complete halting of the startup’s development.

We propose the simplification of the procedures provided for foreign investors as much as possible, including i.a. through the elimination of the requirement for a notarially certified apostille and the enabling of the electronic submission of applications to the National Court Register, without the necessity for all parties to possess a secure electronic signature.
BETTER ACCESS TO FINANCING

Easy access to so-called smart money

Easy access to various sources of financing is necessary for the development of any business activity, and especially for startups. Immediate changes are required in relation to the previously mentioned limited investment activity of private business angels, resulting mainly from the lack of tax incentives, and the small number of investors who are offering the necessary added value – the knowledge, the contacts or the assistance in the conduct of business activity – in addition to money.

In addition, many investors in Poland do not have the necessary experience and are mainly involved in the management of funds from the European Union, frequently without any real care and motivation for the companies in which they invest to achieve success.

Meanwhile, the commercial venture capital funds make a profit only if the startup supported by them achieves a market success and pays off its investors.

We propose the creation of an environment conducive to the creation of strong startups, which will translate into the increased activity of robust investors, who are investing not only their money, but also knowledge and experience. It is necessary to educate and encourage investors not to invest exclusively in financial instruments but also in startups. In addition, we propose the development of a better mechanism for the distribution of the financial resources from the European Union, in order to support investors who offer not only financial but also substantive assistance.
Higher effectiveness and availability of financial assistance from the European Union

A lot of European Union funds are spent on supporting entrepreneurship. However their effectiveness is measured only by the number of incorporated small businesses instead of the time of their survival on the market and the development to the level of medium-sized or large companies. In addition, the funds are provided primarily for supporting "innovation" understood as something new and spectacular, thereby excluding improvement introduced by small steps. It is worth noting that for many years innovation has been successfully implemented in this way i.a. in Japan.

Moreover, the key decisions concerning "who" is awarded the public funds and "for what" – should not be entrusted to "experts" selected by the officials. The results are indicating the low effectiveness of projects selected in such a way and the incorrectness of the undertaken decisions – the success rate is only 3-10% in spite of multi-million expenditures.

European requirements should not be further restricted with local ones. Instead of introducing new requirements we need freedom and trust in the entrepreneurs on the part of the organizations in disposal of the funds. A good example is the activity of the National Centre for Research and Development (Narodowe Centrum Badań i Rozwoju), which reduced the settlement documentation in the GO_ GLOBAL programme to the necessary minimum.
European requirements should not be further restricted with local ones. Instead of introducing new requirements we need freedom and trust in the entrepreneurs on the part of the organizations in disposal of the funds. A good example is the activity of the National Centre for Research and Development (Narodowe Centrum Badań i Rozwoju), which reduced the settlement documentation in the GO_GLOBAL programme to the necessary minimum.

**Equity crowdfunding provisions**

Crowdfunding is an alternative form of financing startup projects. The assistance is provided by people interested in specific ideas, mostly through one-off payments. Currently there are many online platforms through which the originators can meet with the potential donors. Unfortunately, in Poland shares in companies can only be sold at the notarial office. This renders their sale on the Internet – which is the basis of crowdfunding activity – impossible.

We propose changes in the provisions concerning the joint-stock company and the limited joint-stock partnership. These legal forms are perfectly suited to carry out the sale of their stakes in the framework of crowdfunding. In addition it is necessary to regulate the legal foundations of crowdfunding so as to enable the full utilization of the advantages of this method of financing.
EASIER ACCESS TO TALENT

Provisions conducive to hiring professionals from outside the European Union

The demand for specialists such as programmers, analysts or web marketers exceeds supply not only in Poland but also in most Western countries. In the coming years, the deficit of employment will continue to increase. Polish startups and larger software companies would benefit from the liberalization of visa granting procedures for specialists from outside the EU, and in particular from the countries of Central and Eastern Europe. In addition, it is necessary to promote Poland as a country friendly towards specialists from outside the EU.
Provisions to encourage entrepreneurs from outside of Poland to establish startups in our country.

Poland has a chance to become a startup center – a country of innovative enterprises of creative people from all over Europe. Attracting startup founders from Central and Eastern Europe to Poland is highly possible. The support of the public administration will be necessary in order to achieve this goal. It is worth following the best examples from abroad.

The following projects deserve special attention:
Startup Chile – as a result of this support program more than a thousand innovative projects were created in Chile by entrepreneurs from around the world; TechPeaks – an incubator attracting European entrepreneurs to the Italian city of Trento; Startup Visa from Canada – tangible results from the simplification of visa procedures for entrepreneurs.

We propose the creation of a simple and transparent system for granting visas to entrepreneurs and specialists from outside of Poland. This way, the people who are thinking of coming to Poland in order to conduct a business activity or to work for a startup will feel welcome and desired in our country.
EDUCATION PROMOTING ENTREPRENEURSHIP AND PROGRAMMING SKILLS

More reputable incubators/accelerators "nursing" startups

Supporting startups is not limited to providing them with initial funds for development. In order for an enterprise to survive on the market, professional accelerators and incubators for young companies are necessary. Accelerators offer much more than just financial support. They convey knowledge on how to implement an idea, how to set up a business activity, how to introduce it to the market and achieve success.

Unfortunately the best young entrepreneurs from Poland are choosing accelerators in the United States and Western Europe – due to their limited selection in the country. The reason for that is, unfortunately, the low profitability of running this type of schools.

We propose the introduction of better and more effective incentives for the creation of "startup schools". Such schools should be started by professionals associated with reputable existing venture capital funds, but also by local communities promoting entrepreneurship, with the support of the state.
Entrepreneurship and programming education from an early age

Right now life teaches us how to cope with challenges and failures, how to effectively communicate, how to cooperate with others effectively and across disciplines, how to identify needs and how to create and verify value that others will buy or use.

We could learn the same things and at an earlier age in school, by preparing for collaborative problem solving and building lasting value of great significance.

Entrepreneurship education from an early age will help us find the best individuals, worthy of immediate support. In addition it will build the consciousness of an "employer" and not only an "employee" in all young people.

The attractiveness of the teaching process will be increased by interesting and inspiring examples, up-to-date knowledge and a proper balance between theory and practice. In this respect teachers will be assisted by seasoned business practitioners. Contests and educational games will encourage young people to pursue business activities.
Schoolchildren and students should receive knowledge on how and where to seek assistance for their entrepreneurial ideas and the institutions appointed for that purpose will fulfill their objectives.

A modern system of education in the spirit of entrepreneurship requires the supervision of designated persons at the level of the central and local government and within the educational institutions and universities. A system for monitoring the progress of implementation and teaching and its regular assessment is also necessary.

Another issue that we want to address with our initiative is the adjustment of professional counseling in schools, in order for it to raise the students' awareness of the labor market trends and ultimately contribute to the adaptation of the chosen fields of study to the needs of the labor market – not only in regards to the present but especially future needs.
We would like to invite the representatives of the most important central and local offices to the promotion of the educational initiative. They will take advantage of the long-term benefits resulting from the success of this project. It would be worth to finance with public funds and organize a global conference which would be commenced by the President of the Republic of Poland. The event would take place on a regular basis in Poland and would attract the most important authorities to our country. A very good example is the SLUSH conference in Finland\(^7\).

Along with education in the area of entrepreneurship we should also introduce the teaching of programming (and not just computer science) from an early age, following the example of Estonia and the United Kingdom.

We propose the development of a coherent, well thought out entrepreneurship education program “from kindergarten to PhD”. Its aim will be to prepare young people to the role of the employer and to run their own business ventures. The priority should be put on the topicality and attractiveness of the conveyed knowledge and the balance between theory and practice. Teachers of entrepreneurship supported by seasoned experts will present the functioning of mechanisms and institutions supporting entrepreneurship. The effectiveness of the new educational program requires regular assessment and the monitoring of progress.

\(^7\) https://www.slush.org/agenda/schedule/
STARTUP-FRIENDLY INFRASTRUCTURE

Open data in public institutions

The public administration collects massive amounts of data. Their processing and use could provide many startup ideas. Unfortunately, the administration is publishing only a fraction of the data, and even less in an open form. However, this format is crucial. Open data is data that is structured, standardized, provided on free licenses, available to download easily and automatically through an open protocol available for everyone (API). The cost of obtaining, processing and integrating open data is close to zero, while its business application could be really broad. Currently the only institution providing data through an open API is the City Hall of Poznań.

*We propose the creation of a catalog of services provided through API and its implementation in all offices, at every level of government.*
Contact Point for startups in the offices

Innovative projects should be easily accessible to decision makers and competent persons at the national level and in the largest cities. This would enable the efficient implementation of interesting projects. One positive example is the project Virtual Warsaw (Wirtualna Warszawa) – a system of municipal information for the blind and visually impaired that has won one of the prizes in the Mayors Challenge competition.

We propose the establishment of the position of Chief Technology Officer (CTO) at various levels from the central government to local governments. A Chief Technology Officer is a person deciding on the selection and the application of modern technologies, guarding the consistency of its utilization. The CTO should help in solving the local problems of entrepreneurs (infrastructure, regulations) and at the same time be able to select the most interesting ideas that entrepreneurs could implement jointly with the government or the municipal bodies.
Friendly procedures for obtaining financing with municipal public funds

Each project, especially in the initial phase, required funds for the team, the office, the equipment or the licenses. Currently there is a lack of sufficient information, whether such funds could be obtained and for what projects. The second matter raising doubts is the time spent on filling documents and awaiting a response.

*We propose the simplification of the procedures for the provision of public funds for specific objectives and greater clarity of the principles of their provision along with appropriate information on what resources and on what principles can be obtained.*
<table>
<thead>
<tr>
<th>No.</th>
<th>TOTAL NET PRICE</th>
<th>GROSS PRICE</th>
<th>CLIENT</th>
<th>ISSUE DATE</th>
<th>PRODUCT / SERVICE</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>USD 18.00</td>
<td>USD 19.20</td>
<td>Del, James J Esq</td>
<td>2014-04-02</td>
<td>Apples</td>
<td>Sent</td>
</tr>
<tr>
<td>8</td>
<td>USD 20.00</td>
<td>USD 21.60</td>
<td>J. Brown</td>
<td>2014-03-31</td>
<td>Carrots</td>
<td>Issued</td>
</tr>
<tr>
<td>7</td>
<td>USD 25.00</td>
<td>USD 26.50</td>
<td>Brown, John B Jr</td>
<td>2014-03-17</td>
<td>Onions</td>
<td>Paid</td>
</tr>
<tr>
<td>6</td>
<td>USD 25.00</td>
<td>USD 26.50</td>
<td>J. Brown</td>
<td>2014-03-17</td>
<td>Carrots</td>
<td>Paid</td>
</tr>
<tr>
<td>5</td>
<td>USD 30.00</td>
<td>USD 31.50</td>
<td>Brown, John B Jr</td>
<td>2014-03-17</td>
<td>Apples</td>
<td>Partial paid</td>
</tr>
<tr>
<td>4</td>
<td>USD 30.00</td>
<td>USD 31.50</td>
<td>J. Brown</td>
<td>2014-03-17</td>
<td>Onions</td>
<td>Partial paid</td>
</tr>
<tr>
<td>3</td>
<td>USD 30.00</td>
<td>USD 31.50</td>
<td>Brown, John B Jr</td>
<td>2014-03-17</td>
<td>Apples</td>
<td>Issued</td>
</tr>
<tr>
<td>2</td>
<td>USD 30.00</td>
<td>USD 31.50</td>
<td>J. Brown</td>
<td>2014-03-17</td>
<td>Onions</td>
<td>Paid</td>
</tr>
<tr>
<td>1</td>
<td>USD 20.00</td>
<td>USD 21.60</td>
<td>Del, James J Esq</td>
<td>2014-03-17</td>
<td>Carrots</td>
<td>Sent</td>
</tr>
</tbody>
</table>

Total: USD 987.50, USD 1088.423.50
LET’S WORK TOGETHER FOR AN INNOVATIVE POLAND!
We share common goals, and for that reason we believe that by working together we have a chance to build a better environment for startups in Poland

In our work we want to present the opinions of the widest possible group of representatives of innovative industries, which is why our organization remains open to all those interested in the development of Poland as a country of startups. We would like to invite all interested parties to cooperation.

At the same time we would like to appeal to the Polish government and in particular to the key offices:

**THE MINISTRY OF ECONOMY,**
**THE MINISTRY OF FINANCE,**
**THE MINISTRY OF ADMINISTRATION AND DIGITIZATION,**
**THE MINISTRY OF EDUCATION,**
**THE MINISTRY OF SCIENCE AND HIGHER EDUCATION,**
**THE MINISTRY OF LABOUR AND SOCIAL POLICY,**
**THE MINISTRY OF INFRASTRUCTURE AND DEVELOPMENT,**
**THE MEMBERS OF THE PARLIAMENT OF THE REPUBLIC OF POLAND,**
**THE MEMBERS OF THE COMMITTEE ON INNOVATION AND MODERNIZATION,**
**THE ECONOMIC COMMITTEE**

for active cooperation in implementing changes conducive to the unlocking of the potential of Polish startups and joint shaping of Poland as a leader in innovation on the international stage.
7 GLOSSARY OF TERMS
**BUSINESS ACCELERATOR** – an organization conducting a program of intensive, multi-stage training for previously selected startup creators. It includes the refinement of the idea, the preparation of a business model and the preparation for the presentation of the project to the investors. Seasoned experts work directly with the participants of the program in a master-student relationship (mentoring).

**BUSINESS ANGEL** – a natural person, investing their own funds in exchange for a minority stake in a company at an early stage of its development (startup). He chooses candidates independently according to his own criteria. He directly advises the company which he supported with capital. The motives of the business angel’s activities are not limited to the return on the investment in the project. They also include the willingness to share experience and knowledge or the commitment to the development of innovative economy.

**API** – the Application Programming Interface. It describes the method of connecting the program with other external programs, allowing for rapid and automatic exchange of information.

**CHIEF TECHNOLOGY OFFICER (CTO)** – a manager for technological matters. In commercial organizations the CTO oversees the use and development of technology in the company’s business activity – manufacturing, trade, services.
CROWDFUNDING – the financing of projects or ventures by many contributors providing various sums. The development of this form of financing was made possible by the Internet, which allows for an easy way to present a project and gather a community interested in supporting it. The people providing the contributions may receive a previously determined remuneration such as participation in the profits or co-ownership in the project. In most countries crowdfunding is not yet regulated by the law.

EQUITY CROWDFUNDING – serves for obtaining the financing of new business projects (startups). In return for the paid amounts the participants receive shares in the company and become its investors.

BUSINESS INCUBATOR – an institution supporting young entrepreneurs who have started or will start a business activity. It provides office space, legal and accounting assistance.

SEED CAPITAL – seed funds for startups. It provides financial assistance of up to 1 million PLN in exchange for a maximum of 50% of shares in the company and substantive support in the development of a business plan and a market strategy. Seed funds also provide office space and facilities.
SMART MONEY – support for companies in the startup phase which includes training and consultations in addition to funds. The assistance provided by business angels is usually described in this way.

STARTUP – a company in the early phase of development, in need of substantive and financial support in order to convert an idea into a business model. The highest number of startups are created in the industry of modern technologies.

VENTURE CAPITAL – a company or a fund investing in companies that have already passed the startup phase. In return for capital it acquires a part of the stocks or shares, which it resells at a profit after a certain period of time. The financial and advisory support provided by venture capital increases the value of the company. The investment process is highly formalized and the investments amount to at least several million dollars.
The Policy Statement of the Startup Poland Foundation contains photos of websites and products of the following Polish startups:

www.getifinity.com
www.sotrender.com
www.symu.co
www.earthcoregame.com
www.fakturownia.pl
www.getfokus.com
www.getyikes.co
www.windu.org
www.kinetise.com
www.totalfootballmanager.net
www.zortrax.pl
THE STARTUP POLAND FOUNDATION PROPOSES:

1. Promotion of startup investing culture.
2. Consultations with public sector regarding legislative changes that improve growth of the startup ecosystem.
3. Increase of the data’s availability gathered in public offices, at every level of the government administration.
4. The position of Chief Technology Officer (CTO) at various levels of the administration – from the central government to local governments.
5. Increase of the attractiveness of Polish market to specialists from outside the EU.
6. Entrepreneurship education in schools from an early age, conducted by trained teachers with the support of practitioners.
7. Better and more effective incentives for the creation of ”startup schools”.
8. Simple procedures for the transfer of public funds.
10. Creating a complex support system and procedures for startup investors.