

## FINAL PUBLICATION



# MACC BAM Project

Measures to Accelerate  
the Mediterranean Business Angel Market



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# INTRODUCTION

The project “Measures to Accelerate the Mediterranean Business Angels Market” (MACC -BAM), which was co-financed by the European Regional Development Fund was managed by 8 partners representing 4 countries-Greece, Italy, France and the U.K.

The current Executive Summary accompanied by a CD-ROM including the total of studies and activities is the Final Publication of the project “Measures to accelerate the Mediterranean Business Angels Market” (MACC BAM).

This Final Publication consists of the studies, activities and outcomes completed by all partners during the project’s life and aims at communicating to the public and stakeholders the results achieved.

The Executive Summary is a brief description of the project’s components and results, as well as a guide for the CD-ROM accompanied. The CD-ROM includes the studies per project’s components as described below. It should be noted that not all components result to a study (e.g. Communication component, Management Component).

Project components and list of studies and actions:

## Communication Component

Dissemination of the project framework and pilot experiences through the adoption of a communication and capitalization programme aimed at the implementation of activities such as workshops, conferences, media and publicity events.

## Management Component

Application of efficient project management procedures, implementation of steering committee and work group meetings, preparation of financial and progress reports, auditing of financial expenses incurred and evaluation against stated objectives.

## Best practice analysis of sustainable measures and perspectives for the advancement of the Business Angel Market in the MED

The activities of this component focus on the analysis of the current situation of the Business Angel Market. The research permits a critical overview of the effective mechanisms and tools and provides the necessary input for the analysis of the effective measures needed to accelerate BA Market in the MED.

## Design and establishment of the MED Business Angel Support Mechanism

The main activity of the component aims at the development of an effective support mechanism for creating and managing viable MED BA Support Centers (M.B.A S.C.s) that are expected to play a key-role in the advancement of effective measures to accelerate the BA activity.

## Measures for accelerating the Business Angel Market in the MED

The activities of this component focus on the organization of Investment Forums and Conferences in order to provide a dynamic framework for enabling BAs, SMES and institutional actors to come together. Participants from the collaborative institutions are expected to network with organizations that support and promote BA activity.

In addition, policy recommendations on effective measures to support the acceleration of the Business Angel market in the MED have been set, based on the experiences and results gained during the implementation of the project pilot activities.





## OVERALL PROJECT DESCRIPTION

The MACC BAM project began in 2009 and was completed in September 2012. The project aims to build and test a coherent framework for planning and implementing joint sustainable measures in order to accelerate the Business Angel's Market in the MED space.

The MED cooperation framework is ideal to reinforce the cooperation between interested partners that form the current consortium and demonstrate proven experience and activities towards the establishment and reinforcement of Business Angels Networks.

This is a necessity due to the fact that BANs activities are quite fragmented throughout the Mediterranean. The general objectives of such an endeavor are to strengthen the organizations that can support the creation and the valorization of the Business Angel's Networks.

Furthermore the partners will promote and support measures within a framework of a Mediterranean Business Angels network among the participating MED countries and regions, while assessing existing policies in the MED region regarding the support of BANs.

To this end this solidification of interested organizations and the establishment of partnerships and activities will help the development and implementation of consistent innovation and economic development policies that will generate synergies at a transnational level.

The well-established consortium has carefully designed the components of the proposed project that will lead to the development of an integrated approach and tools for establishing effective measures to accelerate the development of the BANs in the MED region.



## PARTNERS

The Hellenic Organization of Small and Medium Sized Enterprises and Handicraft (EOMMEX S.A.) was initially the Lead Partner of the project until the end of February 2012 due to the fact that the company would shut down. ETEAN S.A. since March 2012 has been the Lead partner of the project.

### ETEAN SA

Hellenic Fund of Entrepreneurship & Development, 24 Xenias Str., 11528, Athens, Greece. Lead Partner since March 2012 ([www.etean.com.gr](http://www.etean.com.gr))

The Hellenic Fund of Entrepreneurship & Development, in short "ETEAN S.A.", was established by Law 3912/2011 (GG A17/17.2.2011), with an initial share capital of 1.7 billion Euros, of which 1.5 billion were Greek government bonds and the rest cash. ETEAN S.A. is the successor of TEMPME S.A.

ETEAN SA facilitates SMEs access to finance through existing and new financial products, such as loans, guarantees and counter-guarantees, in order to fill in the financial gap of the Greek market and to provide the necessary support to SMEs of all economic sectors for certain activities. ETEAN leverages the funds for the benefit of enterprises through co-investments and other cooperation.

ETEAN S.A. is a complimentary instrument to the financial market taking into consideration the new economic circumstances and E.U. philosophy for the promotion of revolving financial products.

It serves as an additional and supplementary tool for the financial market and more specifically for the support of SME's by:

- a) Providing guarantees or counter-guarantees in favour of SME's (for their financing).
- b) Managing holding funds (i.e. Entrepreneurship Fund, Fund for Energy Efficiency, Fisheries Fund) which provide revolving financial products to SME's through Financial Engineering Instruments.

Overall, ETEAN S.A.'s objectives are summarised as follows:

- Improve SMEs access to financing of all sectors of the economy (primary, secondary and tertiary) and throughout their business cycle
- Promote entrepreneurship and improve access to financing of new, innovative and competitive enterprises
- Facilitate SMEs to finance their activities (e.g improve competitiveness, organizational and technological modernization)
- Promote social economy and entrepreneurship
- Promote co-investment or participation, in Investment Funds, in Financial Engineering Instruments or Investment Schemes (including concessions and Public Private Partnerships).

### BIC of Attika

Business and Innovation Centre of Attika, 6 Dragatsaniou Str. 10559, Athens. Greece ([www.bicofattika.gr](http://www.bicofattika.gr))

BIC of Attika (Business and Innovation Center of Attika), is a full member of the European Network of BIC's. It is a non-profit and non-governmental organization, offering consulting services to private companies, local authorities and parties of the public sector in order to enhance their competitiveness and efficiency.

Additionally, BIC of Attika supports the creation of new companies, assuring their healthy development through a full spectrum of services offered. With responsibility and reliability, BIC undertakes the business development, technical support, access to financial sources, finding of new partners in Greece and abroad, the implementation of marketing and publicity programs, personnel training, and other actions related to technical business support of enterprises and other bodies who seek a more productive route.

Furthermore, BIC of Attika participates in and/or manages National and European Programs which aim at the general improvement of the business environment, the promotion of research and technology and the reinforcement of the national economy.

## Chamber of Commerce and Industry of Marseille Provence

Chamber of Commerce and Industry of Marseille Provence Palais De La Bourse, Bp 21856, 13221 Marseille CEDEX 02, France ([www.ccimp.com/](http://www.ccimp.com/))

Founded in August 5th 1599, the Marseille Provence Chamber of Commerce and Industry is the oldest CCI in the world. Its past is the foundation of its modernity: for four centuries the Chamber has been concerned with the needs of its clients, the businesses of Marseille Provence. Being a public institution, the Chamber represents the general interests of retailers, industry and services. It is a non-partisan think-tank for new projects.

With its roots in the business world, the CCIMP is the voice of Business, communicating proposals in all areas linked to economic development, territorial development, and employment and company performance. It is also present in many regional, national or international institutions. The CCIMP offers companies a certain number of services such as: help in setting up and developing a business plan, technical assistance, help in entering foreign markets, etc.

These services, free or otherwise, are given either individually or collectively (through the organisation of seminars, trade fairs, trade missions, meetings or similar gatherings). Moreover, higher education and continuing training make up one of the principal missions of the CCIMP. It spends 33% of its fiscal resources on the training of 3000 students to meet companies' needs.

The CCIMP creates and manages, directly or through partnership structures, the infrastructure needed to develop the local economy and business activity:

business parks, logistic platforms, etc. It has been at the origin of many industrial areas (Fos sur Mer, Vitrolles, Martigues, Acubagne, Gémenos, La Ciotat...).

Since 1934 the CCIMP has been the franchise holder of Marseille Provence Airport, which handled 6.000.000 passengers in 2006 and is an essential factor in the development of our region.

## Chamber of Commerce and Industry of Drôme

Chamber of Commerce and Industry - Drôme, 52-64 rue Barthélémy de Laffemas B.P.1023, 26010 Valence Cedex, France ([www.drome.cci.fr/](http://www.drome.cci.fr/))

The first Chamber of Commerce was created in Marseille by Barthélemy de Laffemas under the reign of Henry IV in 1599. During the consulate regime it was reorganized and it was only with the Law of 9th April 1898 that they were treated as a public body with moral personality and financial independence.

In 1960, the French Chambers of Commerce referred to Industries, too.

In 1804, the consulate adventure started in the Drôme area, and it was named as the Consultative Chamber of Arts and Manufactures. Concretely, its expansion started at the beginning of 1870 and was only stopped by the wars that took place in its territory.

After 1950, the airport became more and more important and the pleasure harbour was built (1978). It became the core of commercial transactions.

Nowadays, the Drôme CCI has more than 150 employees, and more than 17.700 French people live abroad.

On January 1st, 2012, the Drôme CCI registered 19.439 member companies, with 2.480 companies created in 2011. The details are as follows:

- Industry: 4.184 enterprises
- Services: 7.825 enterprises
- Commerce: 7.430 enterprises



## Finlombarda S.p.A.

Finlombarda S.p.A. - Piazza Belgioioso 2 - 20121 Milan, Italy ([www.finlombarda.it](http://www.finlombarda.it))

Finlombarda S.p.A. is a public company, totally supported by the Lombardy Region, whose institutional task is to support regional policies for the economic and social development of the Lombardy territory through financial & management tools and initiatives.

Thanks especially to the structuring and activation of evolved financing instruments, it shows the Regional action guidelines both in the economic and financial fields. This is a highly qualified technical contribution from a financial intermediary specialised in two fundamental development areas of the Lombardy economic and social system, which are the business and infrastructure sectors.

Its special role of "territorial financial operator" is well represented by both the organization of financial initiatives for SME's, and the carrying out of projects concerning infrastructures and public services.

## Province of Milan

Province of Milan - Viale Jenner 24 - 20159 Milano, Italy ([www.provincia.milano.it](http://www.provincia.milano.it))

The Province of Milan is a local government Authority that represents a group of borough councils (including the city of Milan) within the Region of Lombardy.

It governs the largest metropolitan area in Italy and is situated in the middle of one of the most highly populated regions of Europe. Almost four million people live and work in the district administered by the Province, all within an area of less than 2,000 square kilometres. This number represents 6,5% of the population of Italy and 41,6% of the population of Lombardy.

Its main bodies are: the President, who represents the Province, summons and chairs the Executive Committee, and supervises the work of the departments and the execution of all acts; the Provincial Executive Committee, appointed by the President, consisting of fifteen Executive Committee Members who work together on the administration of the institution; the Provincial Council, which consists of 45 councillors elected at the same time as the President of the Province, who is also a member of the Provincial Council (it is responsible for fundamental acts of policy, administrative control and planning, and for the approval of all relative financial plans).

The Province of Milan follows many European projects concerning different issues such as: environment, innovation, support of SME's, social themes, etc.

## Exemplas Holdings Limited

Exemplas Holdings Limited 4 Bishops Square Business Park, Hatfield, Hertfordshire, AL10 9NE, UK ([www.exemplas.com/](http://www.exemplas.com/))

Exemplas is a non-profit distribution organisation with offices in Hatfield and London. They have a vast and deep reservoir of expertise in a range of disciplines that enhance performance and influence success. These include corporate development, leadership, skills and training, change management, enterprise, diversity and many more.

For many years Exemplas has been assessing the needs of thousands of private, public and community organisations – both in the UK and overseas – and meeting them with tailored solutions. They only take on projects where they are sure they can add value, and we measure their success by the results they achieve.

They jointly run Business Link East of England and Business Link for Yorkshire.

They successfully deliver a number of other public contracts, for bodies such as Jobcentre Plus, the Learning and Skills Council, regional development agencies and local authorities.

Exemplas has received many forms of recognition for its expertise and achievements, including:

- Certification to ISO 9001:2000
- Investor in People status

They have been named:

- one of the UK's 100 most visionary organisations;
- one of Europe's 500 key economic growth companies;
- an "Exemplar Employer" (a leading employer of women).



# PROJECT OBJECTIVES

MACC BAM - **Measures to Accelerate the Mediterranean Business Angel Market**, is a Project financed by the European Commission and co-financed by public contributors (such as local governments) belonging to the MED Programme (Axis 1, Objective 1.2).

MACC BAM aims at:

- creating permanent MED Business Angel Support Centres (MBASC) and their Network
- training their staff in order to help SMEs to compete in their respective markets
- sensitizing BA, SMEs and institutions with this key topic
- promoting collaboration between institutional and interested actors (parties/suitors), involving all the relevant stakeholders
- assessing the pilot activities that will be undertaken
- preparing a plan for the continuity of the MBASC and their services
- proposing policy recommendations to concretely accelerating the BAM in the MED area

All the activities above aim to:

- raise awareness of Business angels and BANs
- promote Public sector support for the BANs development
- foster Public participation in Angel co-investment funds
- promote an Integrated approach to accelerate the MED angel market
- test tools such as equity guarantees, credit rating
- implement a Pilot Strategic Plan for the BAM development
- establish a BAM Support network in the MED space





# PROJECT DELIVERABLES & FINDINGS

## Best practice analysis of sustainable measures and perspectives for the advancement of the Business Angel Market in the MED

Implementation of activities for the identification & analysis of sustainable and effective measures, business development tools, critical points and development of policy recommendations in order to accelerate the Business Angel Market in the MED. The studies accomplished in this component are:

### Transnational research for diagnosing the current situation of the BA Markets in the MED and in the EU

Clearly there are many good practices throughout Europe that can be shared and many challenges facing Business Angels, Business Angel Networks and Economies that need good level of small and growing companies in order to create wealth and employment.

Finance for these companies is now becoming harder to obtain as bank funding appears to be harder to obtain and is becoming scarcer. Yet we are at a time when if economies are to grow they need to encourage wealth and job creation through the encouragement of small and growing enterprises.

Our findings concerning France, Greece, Italy and the UK were under the following four main areas:

Management and Operation of Business Angel Networks, Financial Tools and Instruments, Promotion and Raising Awareness of Business Angel Activity, and Public Policy.

### Identification & analysis of best practices, tools and entities

This study aims to set the minimum standards for the sound operation of a Business Angel Network and to analyze successful tools that advance Business Angel (BA) activity in Europe.

In addition, the output of the study constitutes a sound basis for the design and Implementation of the project's pilot program, the creation of the MED Business Angel Support Centres (MBASC).

This research is a critical overview of the effective mechanisms and tools necessary to accelerate the BA market in the Mediterranean area and more specifically in the 3 Mediterranean countries (France, Italy and Greece) that participate in the project.

It is clearly stressed that a combination of public policy measures and financial tools is essential in all cases. Public policy measures should be concentrated on **a)** the promotion of BA activity and **b)** measures and tools (mainly financial) for the support of BA activity. Accordingly, financial tools should be concentrated on: **a)** Guarantees, **b)** Co-investment funds, **c)** Mezzanine finance and **d)** Holding Funds according to EU regulations.

### Drawing-up of the transnational study "Effective measures and critical points to accelerate the Business Angel Market (BAM) in the MED"

The purpose of this report is to summarize the findings of the MACC BAM project's research into Business angel activity, detail good practices and tools identified, and summarize the issues which are critical to the acceleration of Business angel Investment activity in the Mediterranean region.

It should be noted that different regions are at differing stages of development, have differing cultures and very different economic conditions in which they operate. Business Angel markets and activity are at very differing stages of Development.

France and Italy have been developing Business Angel Activity and investment for a number of years and have some very good practices, organizations, networks and associations. Greece however is at an early stage and is aiming to grow its Business Angel

activity in what has become a far more difficult financial climate over the last two years.

All countries are suffering from substantial public sector budget reductions which has meant that funding for Business Angel activity is likely to be scarce. Yet the development of SMEs is seen as key to wealth and job creation.

Many small businesses, particularly early stage and rapidly-growing ones, find it increasingly difficult to find funding in the present climate with Bank finance becoming more and more difficult to obtain.

Business Angel Investment is therefore becoming more and more important and, with less public funding available, it is imperative that best practices and crucial tools are identified and implemented to grow the market, increase the availability of funds and thus the growth of successful companies which create wealth and employment.

Many of the most critical aspects are listed under support to be provided by National Association. If however, there is no National Association, this support, and best practices, must be developed by the individual Business Angel Networks. Individual efforts will however reduce the cost effectiveness that can be achieved by economies of scale that can be achieved through National Associations.

Individual networks clearly will not have the influence in lobbying governments, funders and others, as much as national bodies that represent many interested parties including investors. It is strongly recommended therefore that whenever possible, National Associations are created in each country.

This report identifies and details many practices and summarizes those which are critical to accelerating the Business Angel market in the Mediterranean region. The activities and practices identified in research have been summarized, together with proposals for the introduction of

measures considered critical for an effective and buoyant Business Angel Investment Market in the Mediterranean region.

## Design and establishment of the MED Business Angel Support Mechanism

The objective of this project's component is the development of a management system for establishing the support mechanism of the Business Angel Market (BAM) cooperation in the Mediterranean consisting of the MED BAM Support Centers and their network, including as well training packages for their staff.

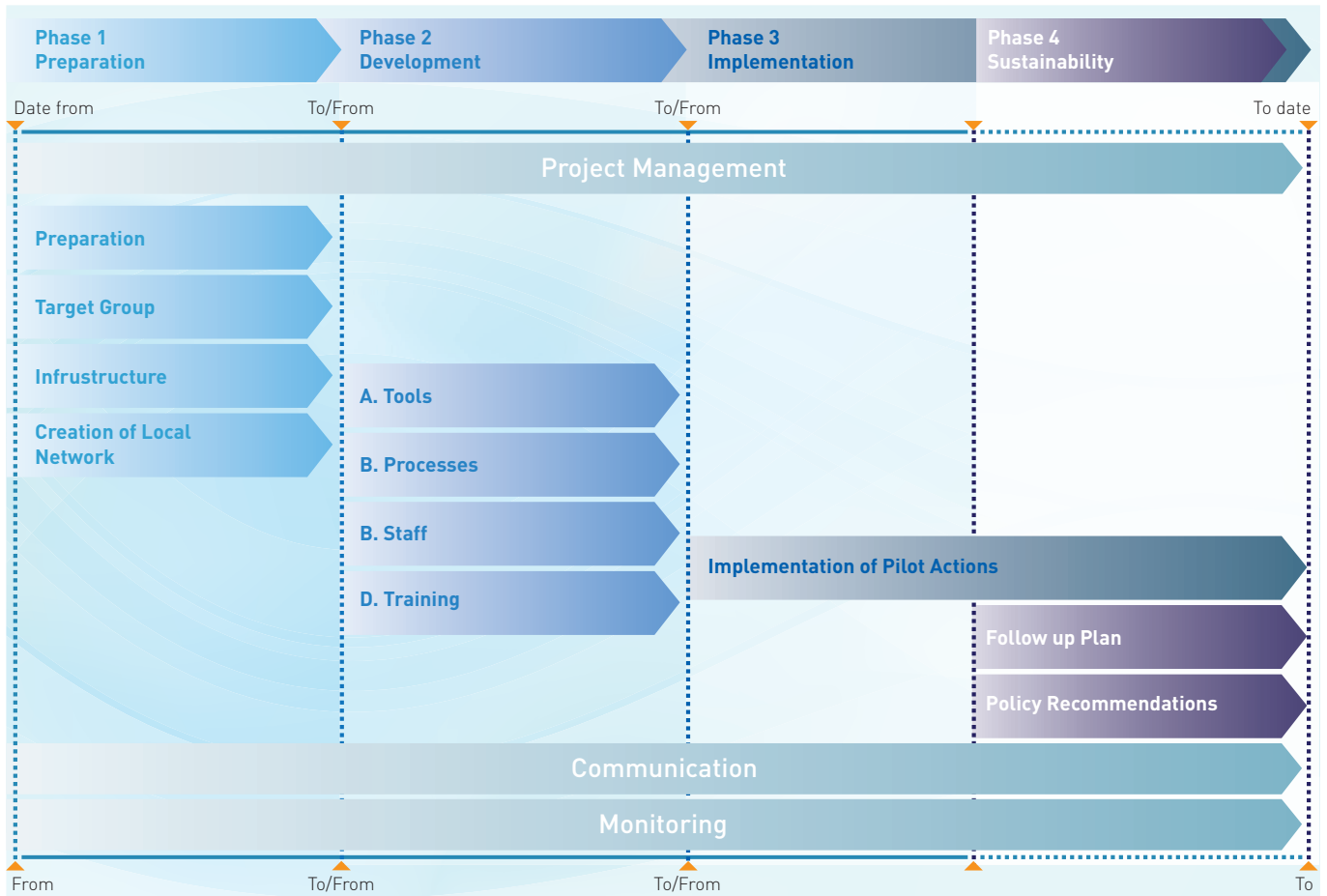
Establishment and operation of the MED BAM Support Centers and their network, for facilitating technology transfer and the dissemination of innovative practices and know-how, staff training, selection and training of participants to the Pilot activities. The studies and activities completed in this component are:

### Development of the support mechanism of the Business Angel (BA) cooperation in the MED

The MED Business Angels Support Centers (M.B.A. S.C.) are designed as autonomous operational structures of the network stimulating the creation and advancement of business angels and business angels' networks.

M.B.A. S.C.s will operate as agile units rendering integrated support to entrepreneurs, investors and other related parties, including consulting services (both at the individual and the aggregate level), information and awareness, orientation, sensitization and motivation, organization of events etc., while they will also provide for the sustainability of this process, by elaborating and submitting to policy makers and other actors adequate, rational proposals concerning strategies, policies and measures.

Table 1: Operational Plan of MACC BAM S.Cs & their Network



In this respect, and in order to take advantage of local expertise, M.B.A. S.C.s will be based upon existing structures.

In more detail, an Operation Plan (see Table 1) has been developed including the following core phases for the establishment and operation of the Centers: **a)** Preparation, **b)** Development, **c)** Implementation of pilot action and **d)** Sustainability of the Centers and their network.

### Design of the MED Business Angel Support Centers and their network

Further to “Development of the Support Mechanism of the Business Angel cooperation in the MED”, this deliverable provides information and gives a clear picture of the hosting organizations, their infrastructure and their staff. It also provides information and details of the stakeholders-associated organizations that will create the M.B.A. S.C. local Network (organization name, contact details, profile-fields of expertise), the Business

Angels (contact details, education, skills, fields of interest, available investment capital), and SMEs (company name, contact details, profile).

All this kind of information should be available to interested parties since it will certify M.B.A. S.Cs’ structure and purpose of their operation. The required information will be completed and stated to the forms as described in the study.

### Development of training package for the MED Business Angel Support Centers staff

A training package for the MED Business Angel Support Centers staff has been developed focusing on a range of various critical issues for the sound operation of the BASCs such as the setting up of a BASC, the various options available for financing a BASC, the range of financial options available in each country (i.e. loans, grants, subsidies and VCs), the selection and matching process of BAs/ Entrepreneurs, the codes of conduct for BANs and Bas, the importance of add-on services

(i.e. Investment Readiness Programmes, Co-Investment Funds, Angel Syndication and Investor Training) and information on local issues (i.e. taxation, legislation & regulation and cultural barriers). The training package was used as the basis for the training seminars that took place during the project.

### **Development of toolkit for supporting BAs, BANs and entrepreneurs in the MED**

Three guides along with useful toolkits were created in order to complete this deliverable.

Firstly, a guide is written to help companies and entrepreneurs looking for funding to understand how the investment process works, what to do if seeking funding, and explains what Investors and lenders look for in a proposition and how they like propositions to be presented to them.

This guide should be used in conjunction with other MACC BAM guides and tools which explain in greater depth in each of the processes, such as Business Plan preparation, profit and loss forecasting, legal and so on.

The aim of this guide is to give entrepreneurs an outline of the process and points that need to be considered when raising finance and investment. It suggests seeking the help and advice from a Business Angel Network Manager available through the MACC BAM support centers.

The center managers are responsible of giving advice on the process and some are able to provide, or sign post, Investment Readiness training programmes that could help companies seeking funding, prepare their business models, written business plans, and pitches to go forward for Investment. This guide is divided into various stages to work through or consider from the outset through to the eventual sale or exit of the company.

Secondly, a guide is written to help Business Angels maximize the benefits from the capital to be invested. When a business angel decides to invest an amount of money, automatically the business angel is deprived of this amount today in order to increase its future value. As a consequence, the future return must have a higher value than the one which the business angel is deprived of, so that

this decision is rational. Thus, Business Angels should take into consideration variables such as accounting profits which in turn obey a series of rules (legislation, accounting principles etc.) and investment decision criteria. These variables are analyzed in this guide along with the aid of other useful toolkits.

Thirdly, a guide is written about how to set up, organize and sustain a Business Angel Network.

Business angel networks add value by matching entrepreneurs and angels, and by increasing trust through codes of conduct. The increasing number of angel networks in Member States with mature financial systems indicates that in many cases the business angel market is reaching a stage where finding a sustainable business model is more important than expansion. Although business angel networks are mostly local and regional, we see also an opportunity for a more pan-European approach.

In addition, syndicated investments among angels and co-investment schemes between angels and venture capital funds provide both synergy and leverage. Furthermore, cross-border risk capital investments benefit recipient firms by giving them an opportunity to achieve a real European dimension.

### **Implementation of training seminars for the MED Business Angel Support Centers M.B.A S.C.'s staff**

The implementation of the training seminars for the M.B.A S.C.'s experts aims to train staff that will be required for the effective establishment and the rational operation of the M.B.A S.C.'s and their Network.

Participants among others will be trained in the effective use of toolkits for supporting BAs, BANs and entrepreneurs and also in the organization of the pilot activities. Expert staff from the UK partner conducted the seminars together with local experts. The training seminars conducted were the following:

- Milan - Italy (8-10 November 2011)
- Marseille - France (21 November 2011)
- Athens - Greece (22-25 November 2011)



Also, as a result of ETEAN S.A. being project leader, further training seminars were held on the premises of ETEAN S.A. and were conducted by the BIC of ATTIKA on 24th May 2012.

### Startup of the MED Business Angel Support Centers and their Network

The MED Business Angels Support Centers were created in the following organisations-partners of the project:

**Greece:** ETEAN S.A. (Athens)

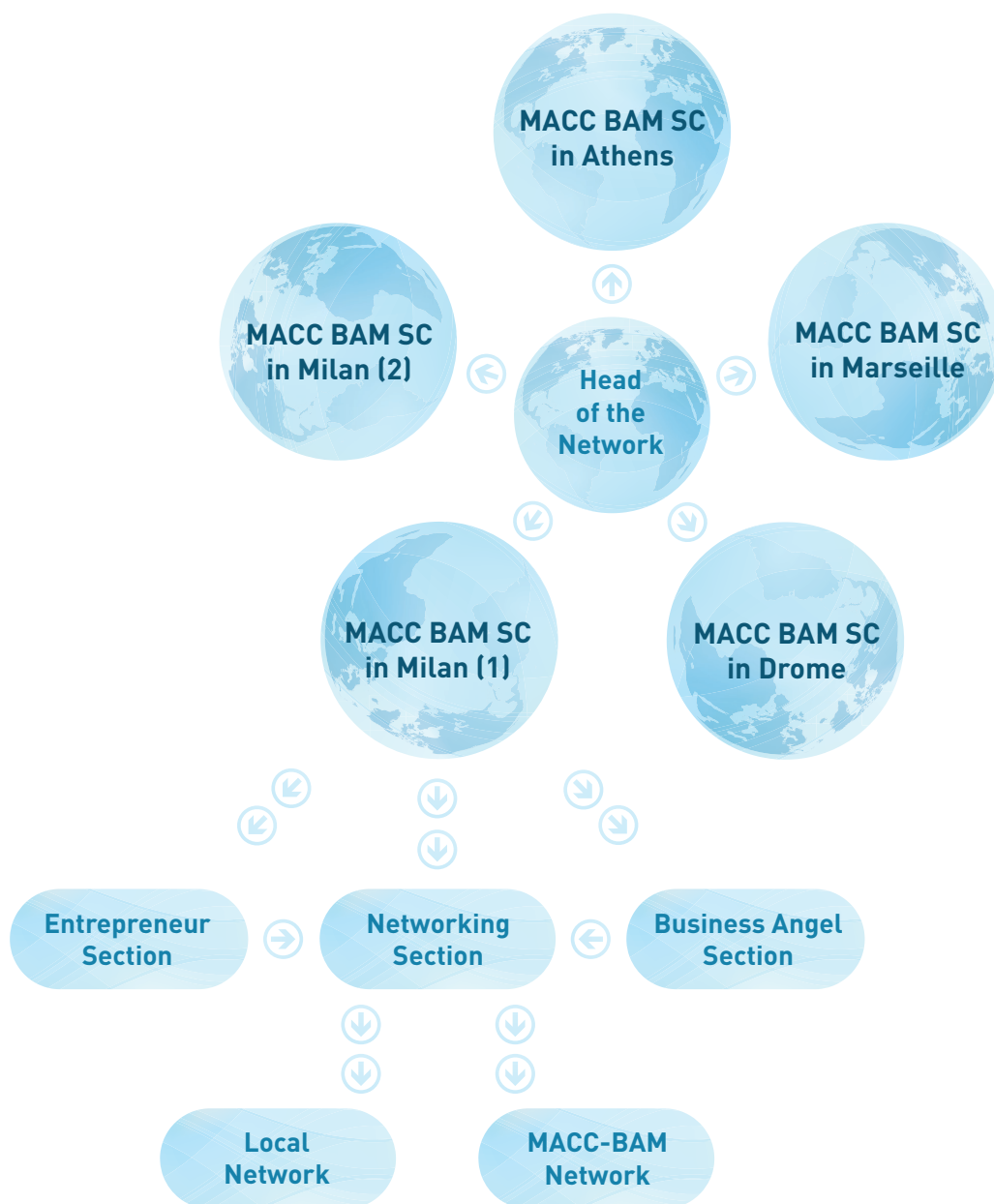
**France:** Chamber of Commerce Marseille Provence (Marseille)

Chamber of Commerce and Industry of Drome (Drome)

**Italy:** Province of Milan (Milan)  
Finlombarda (Milan)

An operating network (see Table 2) has been established among the Support Centers of the partner countries based on the plan developed by the partners:

Table 2: MED Business Angels Support Centers and their network



Many other cross border initiatives or transnational networks have been funded and promoted by national and European institutions. For a transnational network, to be really effective, it needs to have a continuity that often these initiatives cannot assure when the funding ends.

For this reason, in order to get successful results, it is important that institutions offer a continuous commitment supporting formalized and structured transnational networks.

## Animation and awareness Workshops

Territorial workshops were organized (see Table 3) by the M.B.A S.C. in order to sensitize, encourage and raise awareness among officers from collaborating Institutions, BAs and Entrepreneurs on the business angel activity in their territory and the need to strengthen the BA activity in the MED that is lagging behind Northern Europe as well as to identify the prospective participants for the pilot activities (investment forums).

Table 3: List of Workshops

EVENT	LOCATION	DATE
<b>“BUZZ MONEY”</b> (Territorial workshop in Marseille)	Marseille	18/11/2010
<b>“Business Angels: opportunities of investment and success cases in Mediterranean Europe”</b> (Territorial workshop in Milan)	Milan	10/11/2010
<b>Awareness Workshop in Milan</b>	Milan	26/10/2011
<b>“BUZZ MONEY”</b> (Territorial workshop in Marseille)	Marseille	17/11/2011
<b>Animation &amp; Awareness Workshop in Valence</b>	Valence	15/12/2011
<b>Awareness Workshop in Athens</b>	Athens	31/05/2012

In more detail the aim of the above workshops was to update and exchange views between guests, representatives of entities and business consultants, individual entrepreneurs and new or nascent entrepreneurs on:

- the best possible preparation of the Investment Forums and Conferences organised, in order to promote the institution of Business Angels and
- appropriate actions and steps for the activation, dispersion and support of the institution of Business Angels in each country

- the presentation of the experience gained from carrying out similar events on Investment Conference and Forum in other European countries

Through the presentations that took place as well as the open discussion that followed, the following points were noted and highlighted:

- the importance of the Business Angel Institution as an alternative form of financing healthy and viable business plans, especially during the present context of limited liquidity of the financial system;

- the necessity to undertake informative activities focusing on groups of entrepreneurs and specialized business centers of entrepreneurial thought and study;
- targeted dispersion of tasks and objectives of the programmed conference and the timely evaluation of business plans and ideas to be presented;
- the level of difficulty from the Business Angels' point of view in detection, awareness and final expression of any interest to undertake the relevant business risks associated with Business Angels in a business environment and in a society that lacks the commensurate infrastructure and culture.

From the workshop the following conclusions were reached:

- 1 The dispersion of information to all relevant to the upcoming Conference and Forum topics. For instance, promotion: to targeted internet sites such as "Start up Greece", to entrepreneurs enrolled in the program for innovative entrepreneurship, to career centers for innovation and entrepreneurship and to the participants of Entrepreneurship contests.
- 2 The importance of recording the companies which are associated with or apply high technology and/or innovation methods.
- 3 Grouping will be necessary on presentations of selected business projects in thematic or sector units, such as: tourism, technology, information science.
- 4 The adaptation of selected business projects, both at the level of necessary funding as well as the type of investment proposal, based on real potential and priorities of the each market under the present economic circumstances;

## Measures for accelerating the Business Angel Market in the MED

This component includes all activities and studies aiming at the enforcement of the BA market and the continuity of the project's pilot activities such as the organization of Investment Forums and International

Conferences, policy recommendations and follow up plan for the Business Support Centers.

### Preparation of SMEs, BAs and institutions for participation in the Investment Forums in the MED

The Business Angel Support Center (BASC) plays a major role in the support of SMEs and BAN. For each of these players they develop specific actions in order to support, improve and facilitate the investments in the local business. Through these actions they strengthen their knowledge of both party needs.

The Investment forums become the event in which they can use all this knowledge in order to build the most relevant event for both SMEs and BA.

They are the central player which will be able to:

- 1 inform the companies;
- 2 collect and validate their presentation and their financial needs;
- 3 prepare the company staff for an efficient dialogue with BA;
- 4 follow the practical result of the investment forum;
- 5 evaluate the operation for future improvements and from the investor point of view:
  - select the investors
  - diffuse the company presentation

This document presents the major tools which can be used for the preparation of the Investment Forum. These tools have been used by the partners for the MACC-BAM project.

### Organization of MED Investment Forums to identify investment opportunities and promote the networking of institutional actors

#### i) Marseille

On Thursday, November 17, 2011, for the third consecutive year the Chamber of Commerce Marseille Provence organized BUZZMONEY, an event aimed at fostering and facilitating the matching between entrepreneurs and investors, focusing particularly on the financing of start-ups

by Business Angels. This year, unlike previous editions, had an international dimension, as it was organized within the framework of the MACC BAM project, and some Italian and Greek participants took part in the event.

BUZZMONEY was divided into two parts: the conference, focusing on the development of Business Angels (and Business Angels Networks) activities and recognition, followed by the investment forum, allowing for the meeting of entrepreneurs and financial operators (Business Angel Networks, banks, venture capitalists, etc.).

The morning session was dedicated to informing participants about the methods of corporate financing by Business Angels, and in particular, to engaging in exchanges with stakeholders.

The themes of the interventions were as follows:

- Development of Business Angel Networks: the willingness of Europe, Presentation of MACC-BAM project;
- Round table on “BA: support for finance, skills and networking”, in which representatives from several Business Angel Networks took part in the round table, such as Club Provence BA, Alumini Entreprenre, AM BA, Italian BAN.

The afternoon session was dedicated to the presentations of 21 entrepreneurial projects previously selected by the Chamber of Commerce Marseille Provence, who offered some entrepreneurs, at their request, the support of experts to refine their presentations and arguments.

After pitches, entrepreneurs had 51 individual face-to-face meetings with several financial operators attending the event, such as Credit Agricole, BPPC, CIC Lyonnaise de Banque, AM BA, Provence Business Angels, Alumni BA, Viveris, Italian BAN, Trentino BA, and PACA Entreprenre Network.

The financing sought by entrepreneurs was from 80.000 Euro to 4.000.000, with an average of 424.000 Euro and referring to the years 2012–2013.

All participants expressed satisfaction for the organisation of the event and a real interest in participating in similar events in the future.

In detail, the companies particularly appreciated the opportunity to meet various types of potential investors (from seed capital to venture capitalists, etc.). Investors, on their part, highlighted the high level of qualification of the project presented.

### ii) Finlombarda

Within the framework of the MACC BAM project, Finlombarda, in collaboration with the Speed-up Centre, organized the “Investment Forum” on February 15th 2012 as an opportunity to foster matching among entrepreneurs and business angels.

The Investment Forum allowed:

- 1 All the attendees and project partners to share fine-tuned business ideas and presentations with international investors (in the morning);
- 2 A set of valuable investors to meet selected ideas and people to evaluate investment opportunities (in the afternoon).

There were 96 participants in total: 24 pitchers and 22 Business Angels. 62% of the 24 projects participating in the investment forum were existing companies, while the remaining 34% were companies still being formed.

The investment forum was open to national and international participants from the partner countries.

### iii) Athens Investment Forum & International Conference (17th & 18th Sep. 2012)

The Athens Investment Forum took place at Titania Hotel in the City’s center on the 17th of September 2012. Its outcome was an overwhelming success, considering the fact that it was the first time of presenting the Business Angel’s concept into the Greek business market and the society in general. It must be underlined that this success was mainly marked by the unprecedented interest on the part of the entrepreneurs.

The total number of participants at the Investment forum reached the sum of 235 persons. This underlined the growing interest on the part of the Greek market on new investment concepts other than banking and state financing.

It is even more interesting if this large participation figure is to be compared with the participation in on the previous MACC BAMB Investment Forums in Marseille (50 participants) and in Milan (96 participants).

There were 36 project presentations presented by entrepreneurs at the Athens Investment Forum, with the overwhelming majority of them focusing on Hi-tech industry.

The minimum amount requested was 50 thousand euros, the maximum was 1,1 million euros and the average amount was 350 thousand euros.

Again the overall number of presented projects is much higher than the number of projects presented at the Marseille Forum (21 projects) and Milan (24 projects).

This once more shows that there are a large number of project ideas in Greece waiting for adequate investment in order to be further developed.

There were 50 participants who registered as “Business Angels” and participated in the Athens Investment Forum. However, at the one to one meetings, which were the final stage of the Forum, a sum of 20 meetings took place.

That is a finding which shows that the majority of the participants registered as Business Angels did not participated in the one to one meetings.

An explanation for this pattern is mainly that the Business Angels’ concept was only now introduced and thus many investors/market participated in the

Forum first in order to explore what the “Business Angels” is all about.

This assumption gets even stronger when we compare the results of the other two Investment Forums, where in Marseille out of 14 participated Business Angels, 51 one to one meetings took place and in Milan where out of 25 participated Business Angels 39 one to one meetings took place.

This more productive ratio in France and Italy could certainly be connected with the Business Angels market’s much higher degree of maturity in those countries compared to the one in Greece.

The Athens International Conference took part on the 18th of September 2012 at Titania Hotel in the City’s center. It followed the end of the Athens Investment Forum which took place the previous day as explained above.

As a result, the participants and the speakers of the Conference had already a clear idea of the high interest that the public as well as the business community in Greece has given on the new, for the country, concept of Business Angels.

The International Conference hosted by the Hellenic Fund of Entrepreneurship & Development (ETEAN S.A.) had many important guest speakers representing a large spectrum of organizations both national and international.

The following tables summarises the 3 Investment Forums at one glance (see table 4):

**Table 4:** The three Investment Forums

Location	Number of Participants	Number of Business Proposals	Number of Business Angels	Number of one-to one meetings
France: Marseille 17.11.2011	50	21	14	51
Italy: Milan 15.02.2012	96	24	25	39
Greece: Athens 17.09.2012	235	36	50	20

Location	Minimum amount requested (€)	Maximum amount requested (€)	Average amount requested (€)
France: Marseille 17.11.2011	80.000	4.000.000	424.000
Italy: Milan 15.02.2012	50.000	1.000.000	≈380.000
Greece: Athens 17.09.2012	50.000	1.100.000	350.000

Based on the previous data, the Investment Forums in all countries were completed successfully and set new standard for transnational investment opportunities and networking.

Participants from all the above mentioned forums expressed their interest in the continuity and launching of similar events that incorporate “pitching” procedures.

Apart from the above foreseen Investment Forums and Conferences the project also organised a Round Table Event during the Open Days in Brussels on 07/10/2010 for additional dissemination of the project and its pilot activities.

### Policy recommendations on effective measures to support the acceleration of the Business Angel Market in the MED

This research intends to provide policy recommendations addressed to decision makers within the European Institutions, the State Administration, and the Local and Regional Authorities, exploiting the results and experiences gained from the implementation of the pilot actions carried out within the framework of the MACC BAM project.

Transnational research was conducted by partners in order to analyse the current situation of the BA Markets, particularly in the partner countries.

Best practices and successful tools were identified, and several effective measures to accelerate the Business Angel Market in the MED area were

proposed. Moreover, the Support Centre, aimed at supporting Business Angels and entrepreneurs, was established in the partner countries in which in-the-field needs and effective measures for the acceleration of Business Angel activity in MED were found.

Summing up the following policy measures and recommendations for future policies are crucial for the support of Business Angels:

- Favorable regulatory environment
- Important Tax incentives
- Funding of BANs (Public and Private)
- Intense awareness campaigns
- Mobilization of regional / local actors (e.g. chambers of commerce & industry, trade associations)
- Reinforcement of interregional cooperation
- Funding of coaching and mentoring
- Promotion of patent application to improve the investment attractiveness
- Encourage BA Activities
- Encourage Investment readiness programmes
- Reinforcement of the collaboration between BA & VC
- Creation of co-investment funds (public and private)
- Development of adequate financial tools

## Assessment of the pilot activities results

This deliverable focuses on the pilot activities results regarding the operations of the Business Angels Support Centers and the evaluation of the toolkits.

As the scouting process is rather difficult, it is very important that all the Support Centres in the Network are linked and focused on the same objectives.

Each Support Centre must keep its own strategy for scouting entrepreneurs, ideas and Business Angels, but it is important that the information on the detected project and people is exchanged among the partners.

In order to create effective collaboration among Support Centres present in a contiguous geographical area, the best way to avoid possible conflicts is to select a priori and operate on specific fields according to competencies possessed (one in ICT, one in Biotech, one in Energy, etc.).

If each Support Centre knows the other ones cooperating in the same region, it can easily redirect erroneous requests of support received from entrepreneurs toward the Support Centre with the suitable competences to manage them.

Similarly, a Business Angel who does not invest in the sectors supported by that Support Centre can easily redirect to another Support Centre and its enterprises.

Moreover some actions can be carried out in cooperation: it is possible to set up common scouting initiatives or training sessions in order to optimize costs (logistics, teachers, advertising..).

It is also possible to exchange competences among the staff of the SC's during the evaluation process of the ideas or to qualify an investor.

## Follow-up Plan for the continuity of the MED Business Angel Support Centers and the services they offer

This research focuses on two main points. Firstly, the setting up of a business angel support center and the proposed basic and add-on services such as services to SMEs (see table 5), services to BAs (see Table 6), lobbying, BA Academies, investment readiness programs, Angel Syndication, co-Investment schemes, integration/collaboration with Guarantee schemes, mezzanine financing and collaboration between BAs and VCs.

Secondly, the sustainability of the MACC BAM support centers through activities such as periodical investment forums, investment readiness and ready to invest programs, also emphasizing the importance of the project website as an existing platform supporting cross border investments.

### MACC BAM Support System

The MACC BAM business angel market support system ([www.macc-bam.net](http://www.macc-bam.net)) helps companies to find a business angel to support their business plan. The companies can register to the system and submit their business plan. The Business Angels also register to the system and can search all the business plans of the database without having access to which company owns each plan.

The business angel requests to have full access to the plans and if the administrator agrees he accepts the cooperation. The system acts as part of the operating network amongst the Support Centers of the partner countries promoting cross border initiatives and transnational investments.

**Table 5: Supporting Tools used at the MED Business Angel Support Centers for Entrepreneurs**



**Table 6: Supporting Tools used at the MED Business Angel Support Centers for Business Angels**







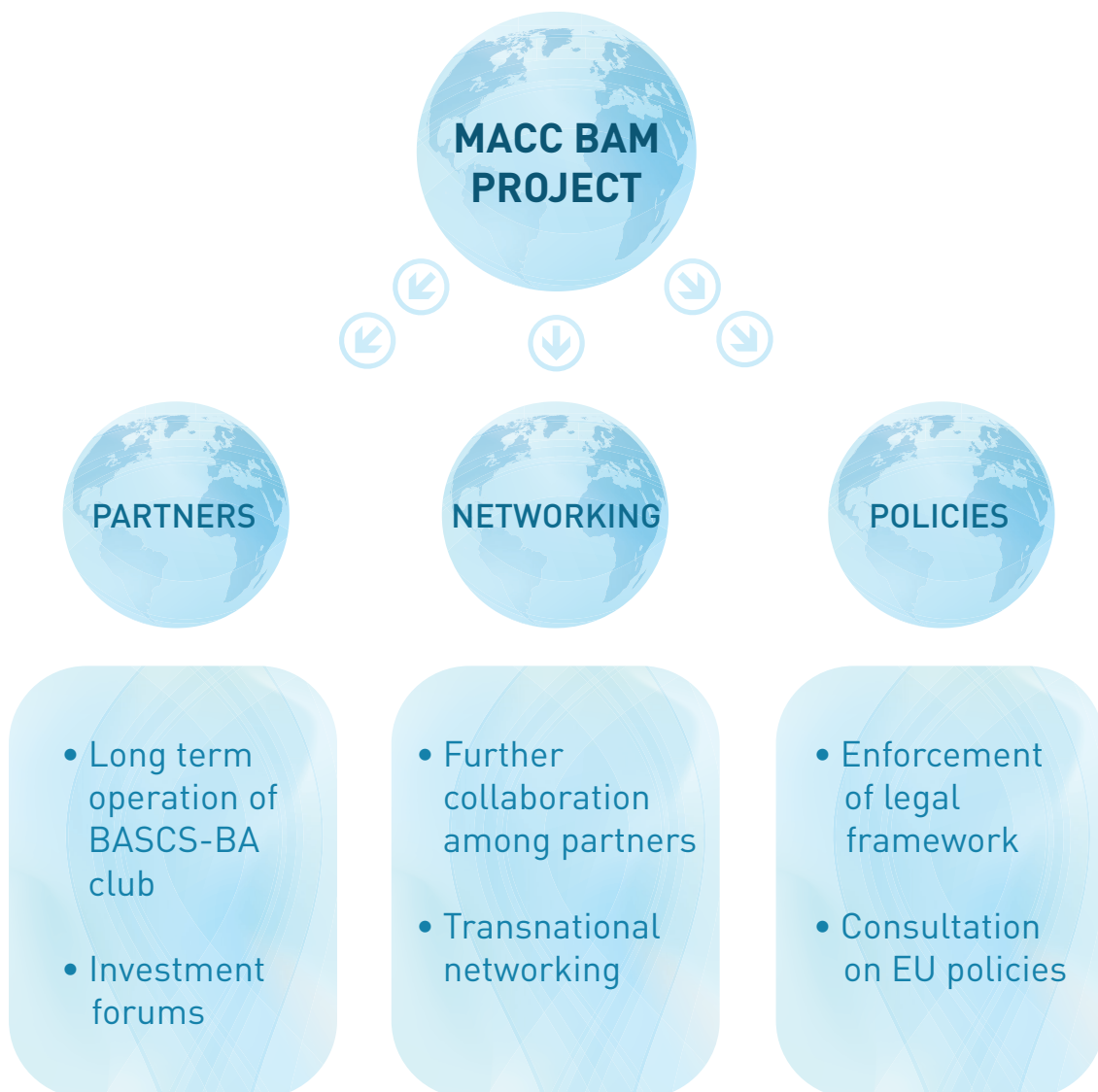
# CAPITALISATION PLAN

The capitalisation plan consists of the development of a capitalisation process which focuses on disseminating the major results of the MACC BAM project (Toolkits & BASCs Operational Plan) and on the collection of feedback from BANs and related projects using specialized questionnaires for the evaluation of the toolkits (Entrepreneurs and BAs).

Furthermore, the plan aims at the continuity of the project's effectiveness and is concentrated in three axes (see Table 7):

- a) Partners will focus on the sustainability of the Business Angel Support Centers and on the organisation of Investment Forums
- b) Networking among the partners for further collaboration and transnational synergies
- c) Policy recommendation focused on the enforcement of the legal framework regarding the BA market and the consultation on EU policies

**Table 7:** The three axes of the capitalization plan







# CONCLUSION

## A Policy recommendation and financial tools

As an overall observation, according to EBAN's position paper for EU2020 strategy, it is crucial for policy makers in the different EU institutions to become acquainted to the reality of early stage finance in Europe in order to become efficient at implementing existing instruments.

However, in order to enhance Business Angel Activity and accelerate the business Angel Market in the participating countries it is important to take into consideration the following differences in:

- Stage of Business Angels Development in each country
- Economic and social structures
- Entrepreneurial culture and mentality
- Public policy and existing financial tools

However a combination of public policy measures and financial tools is essential in all cases. Public policy measures should be concentrated on **a)** the promotion of BA activity and **b)** measures and tools (mainly financial) for the support of BA activity:

- Favourable regulatory environment for Business Angels
- Development of important tax incentives
- Although educational and information campaigns may be used to overcome barriers of the entrepreneurs' mentality, it has been argued that the most effective way of encouraging entrepreneurs to accept equity finance are tax incentives.
- Funding of Business Angels Networks in order to ensure their sustainability and viability
- Intense awareness campaigns
- Public administration and local government have a critical role to play in order to promote informal investment, particularly in countries (e.g. Greece) where BA activity is not developed

- Mobilisation of regional / local institutions such as chambers of commerce & industry, trade associations etc. either in terms of creating networks or to support regional / local BA activity through sponsorships
- Support collaboration between Business Angels and Venture Capitals. It is crucial to reinforce the link between Business Angels and early stage VC funds with later stage venture funds in order to ensure have a healthy innovation finance chain.
- Funding of coaching and mentoring
- Co-financing of financial tools
- Participation in co-investment funds and support for co-investment funds for next follow-up rounds of investment as business grows

The above recommendations are very important especially to countries with low or no BA activity such as Greece where public measures are essential for the ignition of such activity.

Furthermore, experience has shown that, if policy places an emphasis on the early stage, then its financial instruments need to be adapted to the reality of the latter. For example, a 15 million€ fund can be a very strong mechanism to leverage funding from private investors at the early stage, even if it is a small fund compared to initiatives needed for different sectors or stages.

Another crucial issue for both the development of financial tools and public policy is that the market is fragmented and although there are too many funds operating there is no critical mass. This could be overcome by creating funds with cross-border perspective, which means that a lot of measures should be taken at European level for the harmonisation of fiscal and legal frameworks. Furthermore, public or E.U. initiatives could reinforce the internationalisations of SMEs across Europe and cross border investors.

Moreover, existing financial tools, as it has already been analysed in the project's studies, that currently support BA activity are:

- Co-investment funds
- Guarantees
- Mezzanine financing

Apart from the above, the emerging financial tools that operate as Holding Funds could play an important role for the support of a business angels / venture capitals for the enhancement of innovative entrepreneurship as long as public policy supports parallel activity for the development of such entrepreneurial culture especially in countries with low equity funding activity.

Business Angels are also replacing bank lending, as these are reluctant to invest in risky start-ups. Hence, the effect of angel investments can be increased by public or private sector co-investment, and it can have a signalling effect for venture capital funds at a later stage.

## **B** Project's conclusive results

Summing up the pilot activities of the project the main and more conclusive results are:

- The operation of the Business Support Centers and the on-line database enable the acceleration of the BA market not only at local/regional/national level but at a transnational level as well
- The Investment Forums & International Conferences were successful and set the framework for further transnational collaborations
- The Training package along with the Workshops have enabled stakeholders to be thoroughly informed on the BA market
- The Toolkits are a very useful guide for further use by other involved organisations
- All studies constitute an overall and in-depth research, analysis and recommendations on the needs of the BA market
- All the above in combination with the project's site, promotional material, newsletters, articles and advertisements have enabled a wide dissemination and promotion of the project, its activities and its results.

**MACC BAM**  
measures to accelerate  
the mediterranean  
business angel market



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