

Seed4Start



BORDER	France-Germany-Luxembourg-Belgium
TERRITORY	Greater Region
EUROPEAN PROGRAMME	INTERREG IV A Greater Region
DURATION	2011 – 2015
PARTENAIRES	Business Initiative asbl, CCI O2Bilan
OBJECTIVE	Cross-border venture capital platform
MAIN ACTIVITY	Putting entrepreneurs in the Greater Region in contact with private investors for the financing of projects to create, take over or develop innovative start-ups

Seed4Start is a cross-border venture capital platform in the Greater Region.

Launched in September 2012, this project is coordinated by a group of professionals who are strongly rooted in their region and experts in this very specific area (Ader Investissements, BeAngels, LBAN - Luxembourg Business Angels Network), under the aegis of Business Initiative, a non-profit association that brings together the Luxembourg Chamber of Commerce, Luxinnovation (National Agency for Innovation and Research) and the FEDIL (Business Federation Luxembourg) and CCI O2Bilan, a mechanism to help with venture risk financing set up in 2008 by the Lorraine Region chambers of commerce and industry.

The aim of this platform is to help entrepreneurs in the Greater Region to secure the capital they need for their projects to create, take over or develop innovative start-ups, by assisting them in making contact with private investors. The project is co-financed by the INTERREG IV A Greater Region programme.

WHAT ARE THE STEPS IN THIS PROCESS?

To participate in this platform, applicant entrepreneurs must meet the following criteria:

- be the founder, the new owner or the director of a young business
- have an innovative project or one with great growth potential
- have their head office in the Greater Region or intend to set up there
- be seeking equity financing (increase of capital) of between €50,000 and €500,000 (up to €1 million)
- wish to benefit from advice (business plan, investment process, preparation for negotiation, sharing of experiences and good practices, etc.).

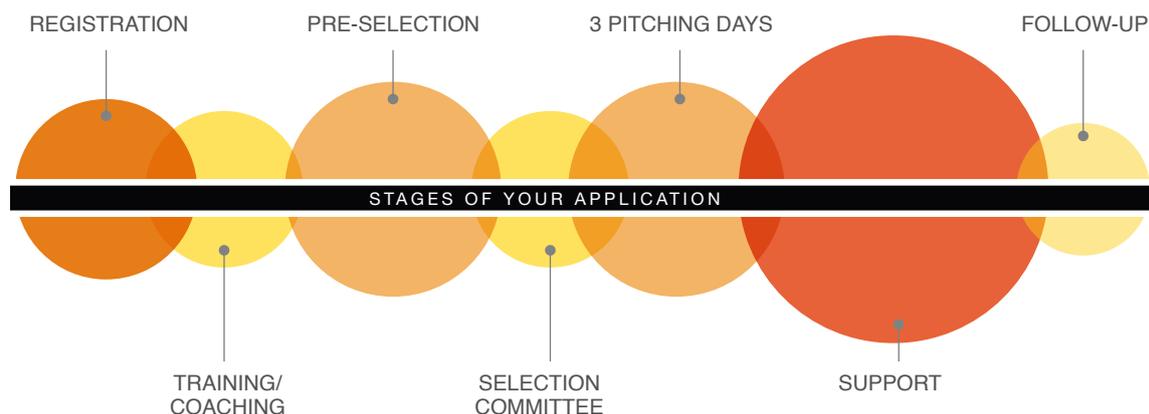
Entrepreneurs can then submit their applications (consisting of a business plan, CV and their latest balance sheets where relevant) to the platform organisers, who make a pre-selection of candidates based on their applications and individual interviews. Successful applicants can then benefit from Seed4Start's training and support services for business creation and obtaining financing from investors.

Taking the form of two days of joint training and individual coaching sessions, the entrepreneurs improve their business plans, prepare for the presentation of their project to investors, work on negotiation and financing techniques and learn about the issues involved in cross-border economic activity.

In a second phase of selection the twenty or so candidates are chosen who will participate in the "Pitching Days", an event where entrepreneurs and investors have direct contact. Candidates are invited to give a pitch lasting a few minutes to present their project. The event also includes individual meetings at a stand, a brochure given to each investor containing the main information about each business present, and thematic networking talks.

The weeks following the Pitching Days are an opportunity for the firm directors to benefit from a follow-up by the Seed4Start team of the contact made with interested investors. **In particular, a platform known as "Gust" is made available to them to design their website dedicated to enhancing their visibility and contacts with investors.**

The latter also have to register to participate in the platform and the Pitching Days and to have access to Seed4Start's services.





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Training is given and talks organised to acquaint the “business angels” with the principles of investment in an unlisted company in its start-up phase. Here are a few examples:

- Investing in a start-up, the keys to success
- Good practices in co-investment
- The shareholders’ pact
- Tax aspects of cross-border investment

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WHAT ARE THE FIRST RESULTS?

The cross-border venture capital forum has taken place twice and has produced two lots of “graduates”. The third forum takes place in 2015 and the Pitching Days took place at the end of 2014 (25 November 2014 in Luxembourg, 28 November 2014 in Nancy and 5 December 2014 in Louvain-la-Neuve, in Belgium), with a new feature: candidates have presented their projects three times in three regions and therefore to three panels of investors.

A FEW FIGURES FOR THE FIRST TWO FORUMS IN 2012 AND 2013:¹³⁵

SELECTION OF PROJECTS

	2012 forum	2013 forum
APPLICATIONS	98	118
CANDIDATES CHOSEN AT THE PRE-SELECTION STAGE	60	49
START-UPS PRE-SELECTED FOR TRAINING	34	29
START-UPS SELECTED FOR "PITCHING DAYS"	20	20

PROFILE OF PROJECTS PRESENTED

	2012 forum	2013 forum	Total
TOTAL AMOUNT SOUGHT	€10.5	€6.2	€16.7
BUSINESSES IN DEVELOPMENT PHASE	12	9	21
BUSINESSES IN COMMERCIALISATION PHASE	8	11	19
JOBS ULTIMATELY CREATED	82	109	191

TO WHAT EXTENT CAN THIS GOOD PRACTICE BE ADOPTED IN OTHER CROSS-BORDER TERRITORIES?

Financial support to SMEs is a problematic area for cross-border cooperation programmes since the extremely strict State aid regulations greatly restrict businesses' abilities to benefit from European funds. However, public stakeholders (territorial authorities, investment banks, consular chambers, etc.) wish to address this issue in their strategic thinking and operational projects. Private equity funds are therefore emerging on all of the EU's borders as a possible solution to support (through financial, tax and legal expertise, etc.) and provide private finance for economic activity in cross-border territories.

It should be noted that a similar initiative has been implemented on the French-Belgian border, with co-financing from the INTERREG IV A France-Wallonia-Flanders programme: the French-Walloon Business Angels Platform.

POUR PLUS D'INFORMATIONS:

<http://www.seed4start.org/>

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¹³⁵ Source : <http://www.seed4start.org/fr/entrepreneurs>