



# CZECH REPUBLIC

# CZECH REPUBLIC

The innovation performance of the Czech Republic is excellent. According to the Global Innovation Index, the Global Talent Competitiveness Index, the scores of R&D expenditure, Technology utilisation, Investment in emerging technologies, University ranking, Quality of management schools, Brain retention, Relevance of education system to the economy, Innovation output and based on StartupBlink ecosystem total score Czechia is in first place among our analyzed countries. However, several areas remain where the country has to make improvements in order to fully tap its digital potential.

The startup density is: 89 startups/1 million inhabitants. Most relevant ecosystems are Prague, Brno, and Ostrava.

According to our extensive literature review the top 3 challenges of the ecosystem are the following:

1. Talents, ideas and champions (human resources)
2. Capital and resources (including available information, flow of special knowledge/technology transfer and ecosystem support)
3. Culture and communities

The following table (*Table 13.*) summarizes the frequencies of mentions on challenges and the relevance of these challenges according to their appearance regarding the pillars of ecosystem assessment canvas.

**Table 13.** Relevance and distribution of startup ecosystem challenges in Czech Republic

Startup ecosystem assessment canvas	Frequency of mentions	Relevance of the challenge according to frequencies
Vision and strategy	2	7th
Policy and regulation	7	5th
Capital and resources (including available information, flow of special knowledge/technology transfer and ecosystem support)	12	2nd
Talents, ideas and champions (human resources)	13	1st
Infrastructure, education, universities, local/available knowledge and programmes	4	6th
Market and networks	10	4th
Culture and communities	11	3rd



Source: Government of Czech Republic (2019); Keiretsu Forum (2020); Novak et al. (2018b)

### 1. Talents, ideas and champions (human resources)

#### **Some notable detailed challenges mentioned by experts and relevant stakeholders:**

- *Czech projects are not registering large international success;*
- *Lack of experienced management;*
- *Low ability to expand and compete in global markets;*
- *Low self-presentation ability;*
- *Not a lot of startups reaches beyond the borders;*
- *Lack of high quality employees, but that is a general issue (Keiretsu Forum, 2020).*

### 2. Capital and resources (including available information, flow of special knowledge/technology transfer and ecosystem support)

#### **Some notable detailed challenges mentioned by experts and relevant stakeholders:**

- *Lack of risk capital;*
- *Lack of real angel investors;*
- *Still lacking interest of investors in early startup stages;*
- *The sector is suffering of insufficient data;*
- *Lack of synergized information about the startup market (Keiretsu Forum, 2020).*

### 3. Culture and communities

#### **Some notable detailed challenges mentioned by experts and relevant stakeholders:**

- *Everyone is focusing on themselves;*
- *Unwillingness to undertake large risks;*

- *Conservatism of the corporate environment towards startups;*
- *Lack of mutual startup cooperation, too much individualism;*
- *Fast self satisfaction of startupists, relatively low self confidence and ferocity;*
- *Most of the events are still happening only in Prague;*
- *Startupists are quite reclusive when it comes to sharing their business goals;*
- *Startups are very careful about sharing ideas and know-how;*
- *From the point of view of business practice, there is insufficient motivation to use academic outputs, and in the Czech Republic the approach of corporations and small and medium-sized firms to cooperation with startups is inflexible.*

**Other remarkable challenges:**

Sources of the above listed opinions: Government of Czech Republic (2019); Keiretsu Forum (2020); Novak et al. (2018b).

