



POLAND

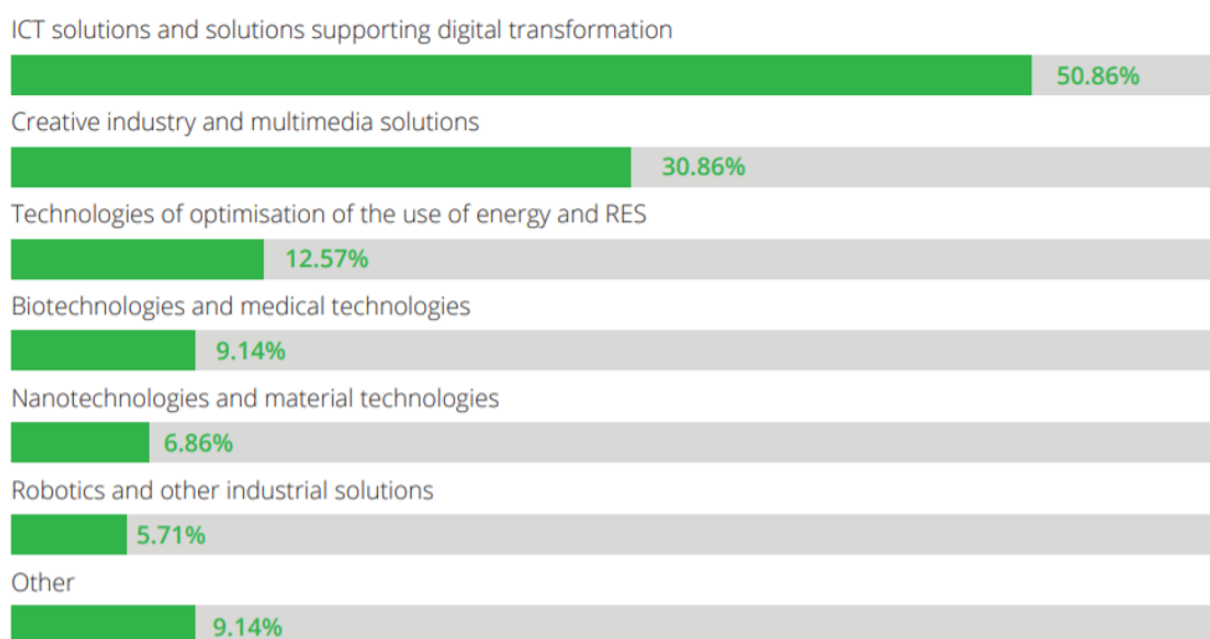
POLAND

In our comparison, Poland has the largest, most extensive ecosystem, but lags behind the other V4 countries in terms of startup density: 51 startups/1 million inhabitants. The Polish startup ecosystem consists of 3000+ startups, 300+ coworking spaces, 130+ VC's, plenty of acceleration programs and tech conferences.

The most relevant local ecosystems are the following: Warsaw, Poznan, Wrocław, Krakow, Gdańsk, Gdynia, Katowice, Szczecin, Lodz, Rzeszow, Zielona Gora.

The Polish startup ecosystem is evolving dynamically in both quantity and quality. The distribution of startups' fields of activity supports the latter statement (*see Figure 10.*).

Figure 10. Startups' fields of activity in Poland (2016). Source: Deloitte (2016)



The potential of further development of startups in Poland is significant. Added value generated by such entities in 2023 may even reach approximately 480 m EUR, with more than 50 thousand jobs created (Deloitte, 2016). Also promising that in 2019, the investment in the country's startups had grown eight times year-on-year to reach some 294 million EUR – more than in the nine years before that, combined (Degeler, 2020). In order to see the ecosystem's challenges more precisely we collected them in a structured way.

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

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

The following table (*Table 17.*) 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 17. Relevance and distribution of startup ecosystem challenges in Poland

Startup ecosystem assessment canvas	Frequency of mentions	Relevance of the challenge according to frequencies
Vision and strategy	n.a.	n.a.
Policy and regulation	3	4th
Capital and resources (including available information, flow of special knowledge/technology transfer and ecosystem support)	9	1st
Talents, ideas and champions (human resources)	5	3rd
Infrastructure, education, universities, local/available knowledge and programmes	1	5th
Market and networks	7	2nd
Culture and communities	1	5th

Source: Dealroom.com (2020); Konsek-Ciechońska (2019); Morawska (2019); Sitko-Lutek – Marzec (2017); Snażyk (2020); Spysz (2017)

1. 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:

- *The lack of capital is one of the biggest challenges Polish startups face;*
- *Small amount of investors with Series A and later round tickets;*
- *Financing for startups is underdeveloped;*
- *Limited number of venture capital funds and business angels;*

- *Challenge is that startups are still afraid of VC funds;*
- *One of the key challenges is a clear equity financing gap for later and growth stage companies who are raising B or C rounds, especially as compared to many funding options available at the seed and early-stage stage.*

2. Market and networks

Some notable detailed challenges mentioned by experts and relevant stakeholders:

- *The main problem with Polish startups is that most entrepreneurs think in a very local way. They have a network in Poland, they think about the Polish market, they launch products here, and so on;*
- *Poland should become much more networked and interrelated with other markets, with the U.S. as well as with European communities;*
- *Middle market trap – European startups prefer to scale in their local market before expanding to Poland;*
- *Business-science cooperation was evaluated as low due to unclear rules of cooperation and lack of incentives.*

3. Talents, ideas and champions (human resources)

Some notable detailed challenges mentioned by experts and relevant stakeholders:

- *Lack of international co-founder teams;*
- *Human capital in Poland is untapped (despite a considerable number of engineers and students of technical fields of studies) due to low applicability of higher education. In addition, low productivity also poses barriers;*
- *Many great ideas lie dormant in the universities' drawers and laboratories;*
- *Startups need to improve their managerial capabilities in the area of international business development to scale and build value.*

Other remarkable challenges:

- *Relatively small international recognition of the Polish ecosystem;*

- *Lack of fiscal incentives for investments in startups;*
- *Social capital constitutes the weakest link of Polish startups due to low trust, incapacity for cooperation, negative attitude towards failure, risk aversion, reluctance for knowledge sharing;*
- *Average friendliness of legal regulations due to unclear tax collection system, and the establishment of businesses being troublesome. Even though public support for R&D is significant, these resources are inefficiently allocated;*
- *Average friendliness of the institutional environment, which is developed unevenly. Government administration's activity supporting the development of startups is visible. However, such assistance is usually short-term and insufficiently coordinated.*

Sources of the opinions: Dealroom.com (2020); Morawska (2019); Sitko-Lutek – Marzec (2017); Snażyk (2020); Spysz (2017).

