
**RIISING INNOVATION &
EMERGING TALENTS**

**FROM
THE
EAST**



ARMENIA
ECOSYSTEM OVERVIEW

**WRITTEN AND
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ARMENIA (ARM) ECOSYSTEM OVERVIEW

KEY ATTRIBUTES OF THE STARTUP ECOSYSTEM

The Armenian startup ecosystem has all the preconditions for a startup to be born and grow. Armenia is the cradle of aspiring local startups. During the past few years, many organizations and foundations created an atmosphere to support local startups by organizing events, programs, mentorships, funding etc. Despite the strong will the Armenian innovation ecosystem is characterised by a relative lack of intermediary organizations, a range of public-private partnerships and high degree of independence from the government (lack of for-profit initiatives by the private sector).

In recent years, the Armenian innovation ecosystem has been changing rapidly with the appearance and disappearance of new actors, including governmental and private organizations.

Most relevant actors which have remarkable effects on the ecosystem: Science and Technology Council; Industrial Council; Information Technology Development Support Council; Business Support Council; SME Development Council.

These consultative and coordinating bodies involve representatives from state bodies along with stakeholders from business, academia and civic society.

Enterprise Incubator Foundation (EIF) recently covers general support to innovation in high-tech sectors. Thanks to the Enterprise Incubator Foundation, Armenia has a number of public private partnership initiatives which provide co-working spaces, training, funding and networking. As a consequence world-famous tech companies have opened their representative offices in the country, including Synopsis, IBM, Cisco, Microsoft, Oracle, VMWare, and many more.

The Technology Transfer Association was established in 2001 and is targeted at providing assistance in spheres of technology transfer for companies affected by innovation and high-tech.

The National Centre of Innovation and Entrepreneurship – established in 2009 – is aiming to provide innovation assistance services.

The main state bodies responsible for research and innovation activities in Armenia are the Ministry of Economic Development and Investments (MEDI) and the State Committee of Science (SCS).

Information Technologies (IT) is the leading sector in Armenia involved in strong innovation activities and enjoys priority as stated by the government. It is driven by young dynamic Armenian enterprises, startups with solid connections with international companies.

Numerous successful startups have emerged in the IT industry that have received global financing and have managed to penetrate the global IT market such as Picsart which collected USD 35m capital (including from Sequoia). Large-scale acquisitions in the industry include Monitis (acquired by GFI Software in 2011), VMWare (acquired Integrien, ca. USD 100m) and Oracle (acquired LiveLook aimed at becoming a regional R&D hub).

Substantial progress has also been made in creating an enabling, innovation-supporting environment which is focusing on its tangible infrastructure: free economic zone, technoparks, innovation centres, educational labs and other enabling platforms. The structure of the innovation (startup) ecosystem is depicted by the following figure (see Figure 1.):

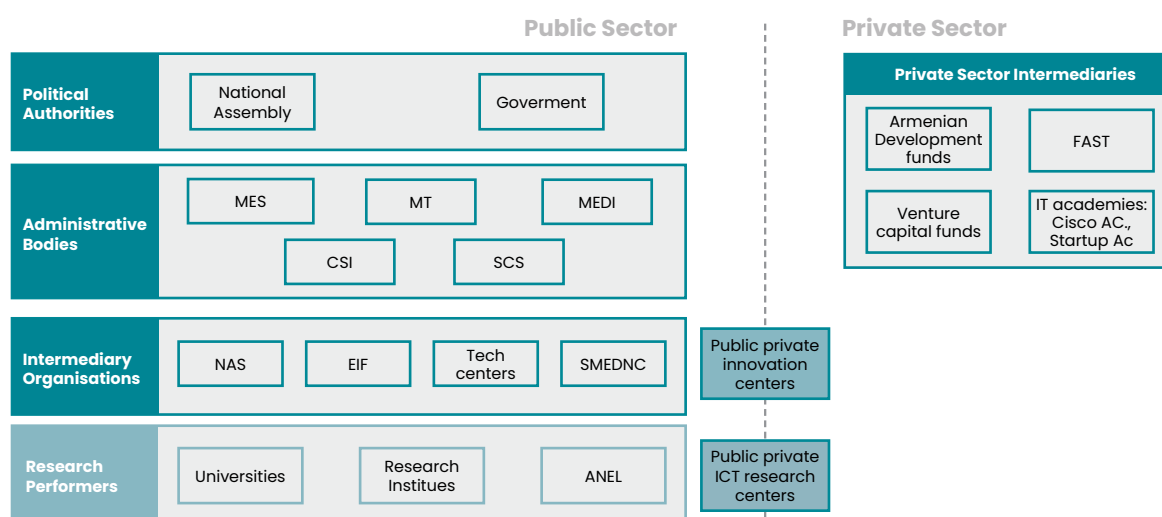


FIGURE 1. The structure of the Armenian technology ecosystem.
 Source: European Commission–Kantor Management Consultants (2018)

In the interest of the development of local startups, the following incubators and accelerators operate in Armenia:

AUA EPIC – American University of Armenia Entrepreneurship and Product Innovation Center is a platform for promoting entrepreneurial education, cross-disciplinary collaboration, and start-up venture incubation. EPIC aims to develop knowledgeable, efficient, and experienced entrepreneurs to address the needs of Armenia and the world beyond. EPIC provides an ecosystem for AUA's emerging entrepreneurs, consisting of first-class facilities and collaborative workspaces, programs and events, and a network of mentors, advisors, and investors.

<https://epic.aua.am/aboutepic/>

Beeline startup incubator is a platform, where startups with a great potential of success will be educated by industry leaders and communicate with successful entrepreneurs.

<https://incubator.beeline.am/>

FAST Foundation is building an ecosystem of innovation to lead scientists, technologists, and innovators in Armenia and beyond to success on the global stage. With a focus on entrepreneurial endeavors, FAST empowers innovators to bring cutting-edge, commercially viable, and globally competitive solutions to life.

<https://fast.foundation/en/home>

ISTC Foundation is one of the leading innovation centers in Armenia, founded by joint initiative of IBM, USAID, Armenian Government and Enterprise Incubator Foundation since 2015. Leveraging resources provided by IBM, USAID, EIF and other partners, ISTC has created a unique platform gathering students, professors, researchers, and startup enthusiasts for building innovative solutions to the global challenges. ISTC is devoted to contributing to position Armenia as one of the leading tech hubs of the world.

<https://www.istc.am/>

Start Doon as the French-Armenian business accelerator, StartDoon represents an international bridge of communication and collaboration offering startups and SMEs business development and acceleration services in both local and international markets.

<https://startdoon.com/>

Yerevan Startup Grind is a branch of the international community of startups, founders, innovators, and creators. Startup Grind educates, supports and connects startups and entrepreneurs with various conferences and events.

<https://www.startupgrind.com/yerevan/>

In order to respond to challenges and to alleviate the shortages listed above, Armenia formulated different strategies. The most important documents are the following:

- Innovation Strategy 2011-2020,
- Strategy on Development of Science 2011-2020,
- SME Development Strategy 2016-2018,
- Science and Technology Development Priorities 2015-2019,
- Digital Transformation Agenda,
- Innovation Development Strategy and Roadmap,
- ICT Development Strategy.

The most important innovation policy challenges are in this context:

- weak linkages between researchers and business,
- lack of business support organisations,
- lack of early stage financing including venture investors,
- fragmentation of the innovation ecosystem (the reason for the fragmentation is the absence of common framework for innovation),
- the country does not have a common set of research funding mechanisms and a stable innovation ecosystem,
- another important issue that differentiates Armenia from similar countries is lack of its own financing of projects and policies,
- Armenia lacks well-developed ICT clusters,
- underutilisation of public procurement for innovation.

Despite all the difficulties some promising and prosperous startups can be mentioned operating in Armenia or achieved global success:

REMARKABLE STARTUPS:

Embry Tech (est. 2017) Embry Sensorized Insoles help people sit less, move more and manage weight. Embry Tech represents smart insoles that you put inside your shoes and link to your phone. It measures your body weight fluctuations without a scale using patent-pending technology.

[<https://embry.tech/>](https://embry.tech/) [<https://www.linkedin.com/company/embrytech/about/>](https://www.linkedin.com/company/embrytech/about/)

Joomag was founded in 2009. Joomag is the all-in-one platform offering a suite of integrated solutions for every content marketing, digital publishing, corporate communications and sales engagement needs. Joomag is working with 500,000+ clients worldwide including companies like KPMG, Cosmopolitan, IBM, Stanford, Harvard.

[<https://www.joomag.com/en/>](https://www.joomag.com/en/)

Krisp (est. 2017) is an AI-powered noise cancelling app that removes background noise and echo during online calls in real time. It works across any communication, conferencing, streaming and recording app and can be used with any wired or wireless microphone, speaker and headphones.

[<https://krisp.ai/about-us/>](https://krisp.ai/about-us/) [<https://www.linkedin.com/company/krisphq/>](https://www.linkedin.com/company/krisphq/)

Picsart was founded in 2011 by Hovhannes Avoyan. Picsart is a full ecosystem of free-to-use content, powerful tools, and inspiration from other creators. It's a virtuous circle of inspiration and creation. And the circle is growing. With a billion downloads and more than 150 million monthly active creators, Picsart is the world's largest creative platform. Picsart – a photo editing and drawing tool – has had a rapid growth since the day it was launched and is for all those people who value art, colorful visuals and exchange of inspiration. It has a diversity of tools which create an enjoyable experience.

[<https://picsart.com/about-us>](https://picsart.com/about-us)
[<https://www.linkedin.com/company/picsart-photo-studio/>](https://www.linkedin.com/company/picsart-photo-studio/)

Service Titan was founded in 2012 by Ara Mahdessian and Vahe Kuzoyan. ServiceTitan is the world's leading and fastest-growing software technology platform for the trades, a trillion-dollar global industry. The company helps small business entrepreneurs run and grow their businesses. Today, ServiceTitan powers the businesses of more than

5,000 customers, is backed by the world's leading venture capitalists, and continues to target incredible growth.

<<https://www.servicetitan.com/company>>
<<https://www.linkedin.com/company/servicetitan/>>

SuperAnnotate AI is an end-to-end platform to annotate, train and automate your computer vision pipeline. The company's mission is to provide the fastest end-to-end platform for computer vision engineers and labeling teams to annotate, manage, and automate computer vision projects.

<<https://www.superannotate.com/company>>

Renderforest is an all-in-one branding platform offering users the best online tools to create high-quality videos, graphic designs, logos, mockups, and websites with minimal time and effort, it was founded in 2013.

<<https://www.renderforest.com/about>>
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