

# STARTUP ECO-SYSTEM

## 1. Startups in Latvia

At the beginning of 2019, the Latvian start-up ecosystem is comprised of over 400 start-ups, more than 20 municipal and non-governmental organizations, start-up associations and 5 other industry associations, including funding organizations such as the Latvian Private and Venture Capital Association and the Latvian Business Angels Network, public institutions (LIAA, MoE, VIAA, Altum), more than 10 co-operative spaces, as well as events organized by ecosystem members and their partners .



There are 17 organizations and municipalities involved in the development of start-ups in Latvia in 2019, of which 5 are directly involved in start-ups. There are also other interest groups indirectly involved in start-ups, representing information technology, education, and science.



### 1.1. Startup organizations

**TechHub** is the oldest, and for a long time, the only startup organization in Latvia that has provided and promoted the startup industry in Latvia, gaining industry-leading knowledge on early-stage start-ups.

Since its inception, TechHub has been organizing meet-ups on the second Thursday of every month, a free event for anyone interested. Each event has its own theme, where speakers share experiences, as well as a free microphone for presenting ideas and other announcements. TechHub organizes and engages in several other activities (up to 200 events per year) for members of the community and other stakeholders throughout the year, promoting the local ecosystem and knowledge transfer between start-ups. TechHub has grown into one of the best-known startups in Latvia - infoqr.am, Cobook, Nordigen, and Funderful. Similarly, TechHub representatives indicate that on average 60% of all start-ups in Latvia have used the opportunities offered by the municipality<sup>80</sup>. With over 6,700 startup stakeholders following Facebook's TechHub activities on Facebook, TechHub reaches the largest audience among all creators of the local ecosystem.

One of TechHub's future goals is to strengthen its links with global startup ecosystems and enable Latvian entrepreneurial people to go on experience and practice to major startup ecosystems to gain a broader vision and hands-on experience and facilitate knowledge transfer to the local ecosystem. In parallel, TechHub is developing the concept of setting up a new TechHub headquarters, where it would be possible to reside and meet not only early-stage startups but also growth and maturity start-ups, investment funds and more stakeholders.

<https://www.techhub.com/>

Sporta iela 2, LV-1013 Riga

A strong player in the local ecosystem is also the non-governmental organization **TechChill**, which, although historically derived from TechHub, has become an independent organization with its own management teams, goals, priorities, and knowledge<sup>83</sup>. TechChill focuses primarily on helping start-ups in the international environment, including visibility, visibility, networking, the most notable activity of which is the annual conference in February, which brings together around 2000 participants. Simultaneously, the organization creates events throughout the year both in Latvia and worldwide and in 2018 with partners (Magnetic Latvia, Startin.lv, TechHub Riga, TestDevLab, Swedbank, Printful, Microsoft, LMT, Junction, Imaguru, Karma VC, Startup Safari and others) organized environmental events and activities for more than 25 start-ups in Latvia, Estonia, Lithuania, Belarus, Finland, Great Britain, Germany, Netherlands etc.<sup>84</sup> Among them are representation of Latvian ecosystem in international environment - international conferences and events, hackathons, coordination of start-ups with international investors, coordination as well as educational and practical activities such as coordination of student placements in start-ups, etc.

<https://techchill.co/>

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**Garage48**, a hackathon organizer from Estonia known throughout Europe and around the world, hosts hackathons, or events for developing and developing business ideas and technologies in Northern, Eastern, and Africa. The first hackathon Garage 48 was organized in Estonia in 2010, and already in 2011, the Garage48 hackathon took place in Latvia as well. The Garage48 Hackathon is a competition of good ideas where, within two days, their members create solutions that can make a profit. Mostly, the competition starts on a Friday night and ends on a Sunday afternoon with a prize for the best ideas, Within 48 hours, sketches of ideas, on-the-ground team implementation of ideas, search for the best and most appropriate team members and continuous international business communication between young and experienced professionals in various fields are developed. At the conclusion of Hackathon, participants are expected to produce prototypes of ready-made business ideas or products, which will be presented to the jury and other members of Garage48.<sup>85</sup> Working with several local ecosystem players, Garage48 has continued to organize hackathons in Latvia, including several regional cities in Valmiera, Ventspils, Cesis, covering different areas. The event is developing both digital and high-tech ideas in areas such as space tech, health tech, game development, woodworking, and wood use, etc.

<https://garage48.org/>

**Riga Tech Girls Association** was founded in 2016 and is the first society in Latvia to target technology and interested girls and women. The Society's goals include inspiring and encouraging girls to acquire technology-related skills - digital skills that will be increasingly needed in the labour market; making women in technology-related sectors visible, thus reducing stereotypes about the technology industry as a boring, male-dominated sector; establishing a professional network of women in technology-related sectors; as well as creating a learning environment for women and educating teachers on how to teach children digital skills.<sup>87</sup> Starting in 2019, the association has more than 3,000 followers on Facebook and 778 community members on Facebook. Riga Tech Girls organizes monthly meetings and various technology workshops in collaboration with local ecosystem players - RTU Design Factory, University of Latvia, Faculty of Computer Science, Magnetic Latvia, Nordic Council of Ministers Office in Latvia, Microsoft, CognizantLV, Accenture Latvia, The Mill, OracleTang Space -, as well as start-ups Baltic3D.eu, TWINO, and organizations in regions like GDG Daugavpils. In 2018, the association was involved in more than 20 activities.

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

**Make Riga**, for its part, is a foundation that has been operating since 2014 and is the first open-ended workshop in Riga that operates on a hackerspace, a participant-organized institution that allows members to use tools, collaborate on hardware projects, and exchange knowledge. <sup>89</sup> Make Riga is located on the premises of the Institute of Electronics and Computer Science, which provides more direct access to cooperation with the Institute's researchers and implementation of joint projects.

<https://makeriga.org/>

Dzērbenes 14, Rīga, LV-1006

**AIESEC** is the largest youth organization in the world offering a variety of professional and personal development exchange programs for young people. The AIESEC organization is represented in more than 200,000 universities in 126 countries and targets young people aged 18-30. Since 1995 it has been operating also in Latvia. One of the AIESEC exchange programs, Global Entrepreneur, offers students 8 to 10 weeks of volunteering in start-ups to learn how to apply the knowledge and skills acquired in university and other extracurricular activities to the labor market. It gives Latvian young people the opportunity to go on experience abroad to start-ups and Latvian start-ups to recruit foreign volunteer talents.

**Connect Latvia** is an association that aims to encourage the creation of new and innovative companies in Latvia. It was founded in 2003 by the University of Latvia, Riga Technical University, Stockholm School of Economics in Riga, the Stockholm School of Economics in Riga, Connect Sweden, the Riga City Council and the Royal Swedish Academy of Engineering (IVA). The Society hosts a variety of events that bring together young entrepreneurs, inventors, innovators, students, investors, mentors, and experts and help prepare business ideas for real business. The Society also hosts the Young Entrepreneurs' Camp "Riga - Cambridge Venture Camp" every year. This is the fourth time in autumn/winter. Initially, students in Riga develop their business ideas, which are presented to a jury to get a chance to attend the second part of the camp in Cambridge. One of the main tasks of the camp is intensive work on the presentation of a business idea.

<https://www.connectlatvia.lv/>

Aspazijas bulvāris 5 - 408, Rīga

**Demola Latvia** is an international organization operating in Latvia since 2014. Demola Latvia is a collaboration platform for students, companies, and universities. Since 2017 the platform is maintained by Riga Technical University (RTU), University of Latvia (LU) and Latvian Investment and Development Agency (LIAA). Student teams work on real-world situations with partner companies to find innovative solutions to create new products. Demola Latvia provides work plans, methodologies, mentor support, and seminars to help an interdisciplinary student group reach a result. If the students' ideas and the end results are satisfactory, the young people receive a pre-contractual reward from the partner and the partner receives new, creative solutions without financial risk. It is important that young people from any Latvian secondary school, college or university can apply for membership in Demola Latvia. During the three seasons of the Demola Latvia project, 39 problem situations have been proposed by 32 companies and institutions, such as Inbox.lv, Bite, KPMG, SEB banka, Riga International Airport, Lattelecom, Latvia Railway, Swedbank, Amserv Motors, etc. 195 students from more than 15 higher education institutions in Latvia were looking for solutions in international and interdisciplinary teams, while the interest in participating in the program is much higher - 525 students have applied for the 2018 season. 15 mentors, lecturers, and coordinators work with students during the program. Successful cooperation is evidenced by the fact that almost half of the solutions developed in the previous two seasons were licensed, with students paying a total of EUR 17,000 for the work done.

<https://www.demola.net/>

**Junior Achievement Latvia** is a public benefit organization and expert in practical business education in Latvian schools. The aim of the organization is to promote the development of the Latvian economy by engaging in youth education, promotion of entrepreneurship and formation of a new generation of entrepreneurs, linking theoretical knowledge with practice in the study process in Latvia, Europe, and the world. JA Latvia has been a member of 37 Junior Achievement Worldwide Network since 1991. The European Commission has recognized JA Latvia as the only positive initiative in Latvia that provides entrepreneurship education to young people in the long term and methodically. Every year JA Latvia provides access to practical business education programs approved in Europe and adapted to the needs of Latvia to approximately 60 000 students across Latvia at all levels of education, including universities implementing the JA Latvia Startup program aimed at increasing economic activity in the country , to develop and improve students' and entrepreneurship skills of various interests and specialties, to promote interdisciplinary cooperation. Within the framework of the program, the company is a student-run and educational company whose activities are educational.

<http://jalatvia.lv/>

Ūdens iela 12-21, 4. stāvs, Rīga

## 1.2. Business incubators

At the beginning of 2019, more than 25 business incubators, both in Riga and regional cities, will be open to business start-ups throughout Latvia, including start-ups. 15 of them are Business Incubators of the Investment and Development Agency of Latvia (Magnetic Latvia Business Incubators <https://inkubatori.magneticlatvia.lv/>) as well as 11 incubators and business support centers of universities and 1 private incubator (“Kurzeme Business Incubator”) operating in 3 different cities of Latvia (Liepaja, Kuldiga) and Saldus)



Incubators	Average annual teams supported	Start-ups Number of	Specialization (Number of incubators – area)
15 LIAA Incubators	627 Pre-incubation + 354 Incubation *Period from 2016 to 2018	34	1 - Creative Industries
11 University Incubators	<100	Isn't Identified	1-Creative industries 1-High Technology
1 private Incubator (Saldu, Kuldiga and Liepaja)	10	5	1 -The involvement of start-ups

In general, incubators provide general business support, and by sector there are only a few specialized incubators in Latvia, such as the LIAA Creative Industries Incubator, and some higher education incubators with specialized focus (in-depth knowledge, experience, competencies and infrastructure) or in business development as RTU Design Factory (specializing in development of science-intensive business ideas (mechanical engineering, robotics, modeling (hardware) etc. in high technology)) and RISEBA Creative Business Incubator (specializing in creative industries and social entrepreneurship), as well as which offers a blockchain pre-accelerator program.

Specialized support for start-ups is provided by tailor-made pre-accelerator programs, such as "Blockchain Pre-accelerator" at the UL Student Business Incubator and Climate-KIC Accelerator Latvia, and Greenhouse at the RTU Design Factory. In turn, the Kurzeme Business Incubator, a private incubator, provides support to any start-up and conducts business-to-business investment angels, and in 2018, approximately half of the businesses supported by the incubator were start-ups. The cooperation partners of the Incubator include the Latvian Chamber of Commerce and Industry, the financial institution Altum, the Green and Smart Technology Cluster, the Liepaja Special Economic Zone, the University of Liepaja, as well as other business support organizations and higher education institutions.

**LIAA incubators** offer support for starting a business in 15 different cities of Latvia. Assistance is provided to individuals and businesses by providing the environment necessary for starting and developing a business, consulting, training and events on general business issues, mentor support, and grants. One creative incubator is available in Riga, specializing in the creative industries, so only companies in the creative industries are eligible for support in this incubator: architecture, design, cinema, performing arts, visual arts, music, publishing, television, radio and interactive media, advertising , computer games and interactive software, cultural heritage, cultural education, recreation, entertainment and other cultural activities. The creative incubator was also supported by several start-up brands such as Kurp.es, Solfeg.io, Vividly

<http://www.liaa.gov.lv/lv/inkubatori>

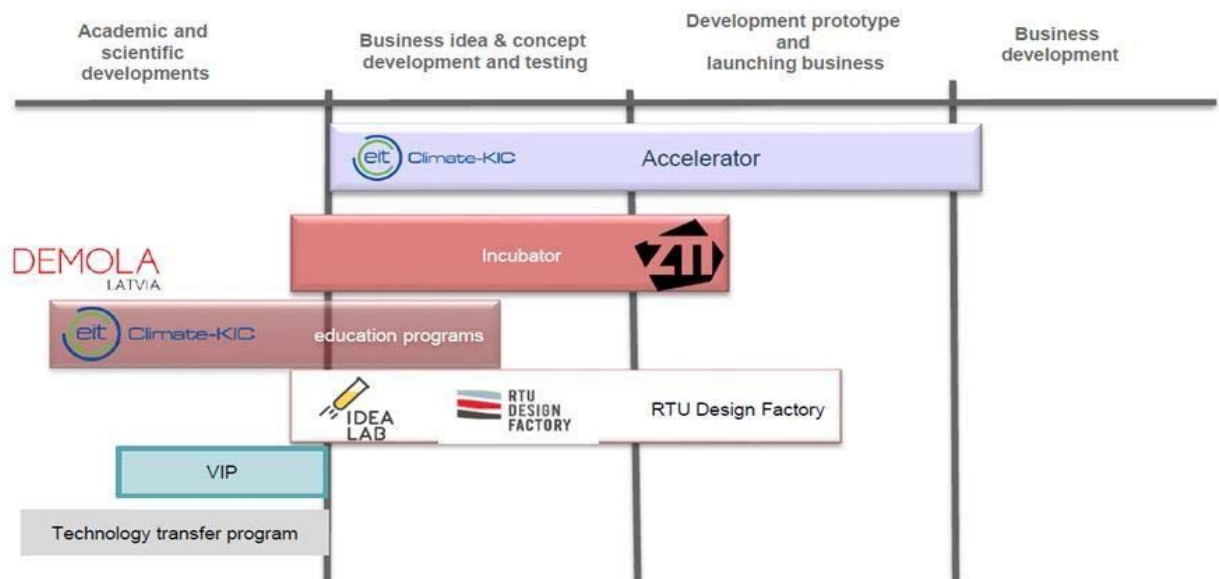
**Business incubators and business support center** have been established in 11 higher education institutions in Latvia. and Regional Development Centre, Riga Business School Startup Lab, ISMA Business Incubator, Banking Institution of Business

The two incubators have specialized focus and in-depth knowledge, experience and competencies in business development in individual industries, as RTU Design Factory (specializing in developing science-intensive business ideas (mechanical engineering, robotics, modeling (hardware), etc.)) and RISEBA Creative Business Incubator (specializing creative industries and social entrepreneurship)

In contrast, RTU Design Factory, through its pre-incubation program and various pre-acceleration programs, as well as infrastructure and expertise for prototyping, has established a coherent local system where each program prepares teams for the next phase of development, ultimately reaching investment readiness; a program that already makes pre-seed and seed equity investments. In parallel, the interdisciplinary academic course “Vertically Integrated Project”, various summer schools and internship programs for young professionals, as well as RTU Design Factory is the responsible institution for the implementation of the Demola-Latvia innovation platform. Thus, RTU Design Factory has successfully created an open one-stop environment for collaboration between science and industry.

**The IdeaLab** Incubation Program brings together young, talented entrepreneurs, mentors, creativity enthusiasts, faculty, and investors, providing an environment for the creation of new ideas and products, or the development of existing ones.<sup>136</sup> The Incubation Program focuses on implementing ideas that allow participants to test and develop their ideas before they are realized in life. The IdeaLAB Pre-Incubator Program for Business Ideas is implemented for 9 months, including two-day training sessions, coaching sessions, business model lectures, financial and legal consulting, technical support from the RTU Design Factory, and financial support as needed. At the end of the program, idea authors have every opportunity to continue developing the idea in a next-step program thanks to the collaboration with Climate-KIC and other support tools.

<https://www.idealab.com/>



**Kurzeme Business Incubator** (Saldus, Kuldīga, Liepāja) defines entrepreneurship as its specialization. The incubator offers support through accounting services, public and private funding, sales missions, mentoring, coworking space. The incubator and its support is available to anyone interested in starting or starting a business in the Kurzeme region. For startups, Kurzeme Business Incubator offers mentoring sessions and investment attraction sessions. Investment sessions with private investors are also organized. The cooperation partners of the Incubator include the Latvian Chamber of Commerce and Industry, the financial institution Altum, the Green and Smart Technology Cluster, the Liepaja Special Economic Zone, the University of Liepaja, as well as other business support organizations and higher education institutions.

<http://kbi.lv/>

### **Ventspils High Technology Park**

Ventspils High Technology Park is an industry specification for advanced industries. The Technology Park offers its support through education and career development activities in STEM fields and technology and offers growth services to advanced industry companies and partners - incl. raising finance and promoting exports. There is also a possibility to get advice and support from business idea authors and start-ups during the start-up phase of the technology park. Ventspils High Technology Park is available for any interesting businessmen. Funding for Ventspils High Technology Park is provided through the EU Structural Funds, the European Territorial Cooperation Program, the Norwegian Financial Mechanism and the European Economic Area (EEA) Financial Instrument, Bank Financing, ALTUM Financing, and Venture Capital.

<https://www.vatp.lv/>



### **Ventspils Business Support Centre**

Ventspils Business Centre focuses on information and communication technologies. The business center provides coproduction facilities. The business center also offers information on business support opportunities and the attraction of ICT merchants and specialists to Ventspils. The Centre also provides support for retraining employees in other sectors to work in the ICT sector. The Ventspils Business Support center also undertakes the organization of business promotion activities aimed at developing the ICT sector in Ventspils. The center is open to any interested person. In the first year, ICT companies, incl. start-ups can qualify for 100% aid for renting premises, 50% over the next 2 years. Also, two-year support with a 50% aid intensity is available to start-ups not older than 3 years from the start of the aid and two years with the possibility to extend it for another two years if the number of employees in Ventspils has increased and the merchant reinvested it has not been gained, can be obtained by ICT companies.

<https://www.vatp.lv/en/business-support>

### **1.3. Hackathon**

Hackathon is a 24-hour or 48-hour marathon where mostly previously unknown people join teams and develop a common idea. For startups, it is an opportunity to meet like-minded people who can become co-founders or team members, and to test and develop their ideas in a particular area. In Latvia, the organization of hackathons began thanks to 2 international organizations - "Garage48", which in cooperation with members of the local ecosystem started organizing hackathons in Latvia already in 2011, and Startup Weekend, which has organized an annual startup idea development marathon in Liepaja for several years, according to Startin.lv.

#### **Business idea contests**

On average, 10 business idea contests are organized in Latvia each year, with a total prize money of more than EUR 100,000, and opportunities to enter the finals of international idea competitions are provided. On average, only 5 of the regular contests (IceBreakers, Getting Started, Brainstorming, TechChill, DeepTechAtelier) receive cash prizes for developing a business idea, and the total prize money in these contests totals an average of 14 teams as the total prize pool is distributed among the most competitive ideas. Several international competitions in Latvia are organized by national selection only and the team has the opportunity to go to the finals to qualify for a cash prize and / or participation in a further development or acceleration program (Creative Business Cup, Digital Freedom Festival Pitch Competition, Seedstars Riga). According to Anatomy Next, winners of the TechChill Fifty Founders battle 2018, business idea contests not only provide you with additional financial resources to develop your business idea, but also make your value proposition clearer, as well as gain additional publicity for business development.

#### 1.4. Accelerators

**Accelerator BuildIt Latvia** team consists of professionals from Latvia and Estonia – Matīss Neimanis, Rene Tonnisson, and Aleksander Tonnisson. They have more than a decade of experience working with start-up companies, investing in technology-intensive companies, as well as commercialization of scientific articles. The practice-tested, intensive program offered by BuildIt Latvia is for teams that develop technology solutions for industry with potentially high international competitiveness. BuildItLatvia team has the experience and desire to work on high-quality ideas in the Baltic and Nordic, Central and Eastern European markets.

<https://www.buildit.lv/>

#### **Overkill Ventures**

The accelerated fund which operates in cooperation with telecommunication company Lattelecom and Accelerace will make pre-seed investments of 40,000 euros and seed investment of up to 250,000 euros. The managers of this fund will primarily invest in emerging companies in Central and Eastern Europe that work in work environment efficiency and automation and have already gained initial market revenues. The team is comprised of Pēteris Marculāns, Dmitrijs Saikovskis, and David Ventzel, all of who have extensive experience with start-ups. They have worked in setting up and selling their own businesses, managing and leading accelerated programs and new investment funds (Techstars and Accelerace) as well as buying and selling businesses.

<https://www.overkill.vc/>

**The Commercialization Reactor (KR) Foundation** also has a long-standing experience in accelerating new businesses. Over the seven years in operation, KR has implemented more than 10 programs, created more than 70 new companies that have been able to attract investments exceeding EUR 5 million. KR's team is comprised of Nikolajs Adamovičs, Ella Kalniņa, Lelde Stukel and Voldemārs Brēdiķis.

The KR focuses on high technology and science start-ups in Latvia and the Baltics, as well as in Eastern Europe and other neighboring countries of the region. The KR is unique not only in its ability to select start-ups but also in creating new teams bringing together scientists who have ideas with entrepreneurs who believe in the possibility of commercializing their ideas.

<https://www.commercializationreactor.com/>

#### 1.5. Major events in the start-up environment

The biggest event of the Latvian start-up industry is the TechChill conference, which has been held in Riga every year since 2012 and has grown from a few hundred visitors to a Baltic-level event with more than 2000 participants. The event brings together hundreds of technology professionals from around the world for two days on three parallel stages.

Each year, the conference program focuses on a specific theme, but the goal remains unchanged - to inspire start-ups with stories of experienced entrepreneurs and experts, and to gather community representatives once a year, enabling them to network and attract

foreign investors to Latvia. TechChill organizers point out that the TechChill conference is most useful in terms of content and offerings for early-stage startups that need all kinds of development support - contacts, experience stories, investor money, and knowledge - and late-stage startups also like to attend the conference once a year meet all the players in the local ecosystem. In total, TechChill is visited by more than 350 start-ups, one-third of which are local - Latvian start-ups, while foreign start-ups are mainly represented in Estonia, Lithuania, and Finland.

TechChill is also an important bridge linking the local ecosystem to global start-up ecosystem centers around the world, both attracting foreign investors and participants and enabling the pitch competition team to enter the world-class start-up competition. The organizers of TechChill point out that 5 years ago the Estonian company that won the "TechChill

At the 50 Founders Battle, he won a trip to Silicon Valley, where he started talks with an investor who later chose to invest in the company. The TechChill pitch competition has also been one of the first springboards for successful Baltic startups such as Infogr.am, Edurio, Nordigen, Sprayprinter and Anatomy Next

**The Digital Freedom Festival (DFF)** is a global technology, start-up, politics and lifestyle festival that brings together many start-ups and new technology entrepreneurs from around the world to discuss the impact of technology on everyday life. The 2018 festival was attended by 1500 participants from different countries of the world.

The festival is a multifunctional platform for new technology enthusiasts to meet policymakers to jointly tackle the challenges of the digital world when it comes to analog. Investors, technology enthusiasts as well as consumers meet with the most successful start-ups to discuss together the impact of new technologies on lifestyle. The festival takes place over 2 days where the first day offers a variety of professional lectures and seminars, while the second day of the festival is devoted to practical skills and networking. There will also be a start-up pitch competition during the festival, which, in partnership with leading accelerators and investors around the world, evaluates start-up ideas and gives winning teams a chance to qualify for the finals. The organizers of DFF organize many educational events, seminars throughout the year, not only to attract the public's attention to the event itself but also to educate the public and their understanding of the impact of technology on daily life and current business start-ups.

**Deep Tech Atelier** is a forum and workshop dedicated to the launch and further development of science-based or deep-tech start-ups. Not only is this business forum a place for discussion with all stakeholders - entrepreneurs, scientists, and technology developers, industry, investors, government and NGOs - but it is also a practical seminar-type forum with tangible results. The event aims to eventually lead to the creation of new, science-based start-up teams that, with the support of the local ecosystem's deep-tech accelerator Commercialization Reactor Fund, can thrive. Deep Tech Atelier is an event organized by the Latvian Investment and Development Agency

The Forum has three full days, during which its members receive valuable mentoring sessions, hands-on training, and coaching for science-based start-ups. There are also individual B2B meetings that participants can use to further develop their ideas and attract partners. Similarly, teams created by entrepreneurs and scientific technology authors during the forum have the opportunity to participate in business idea presentations to investors, accelerators and industry representatives. The best ideas are valued and rewarded with valuable prizes.

**IceBreakers** is the only and largest start-up conference for students and 12th-grade students that have been organized by the UL Student Business Incubator in 2018 and plans to continue as an annual event. The main goal of the conference is to encourage young people to explore the diversity of business opportunities to raise their ambitions and to look beyond the borders of Latvia to promote the acquisition of world experience and knowledge.

The one-day event brings together 50 international entrepreneurs and technology experts on two parallel stages to inspire, debate, share experiences and knowledge, and offer internships for students. Participants will also be offered hands-on training by leading technology companies and startups (in 2018, they were Microsoft Latvia, VR Arcade, LearnIT, and Tilde) and networking with multinationals (in 2018, Revolut, Taxify, Draugiem Group participated), Printful, Anatomy Next, Vividly, etc.). The conference ends with a grant competition where students are given the opportunity to present their business ideas and fight for the top prize of 10,000 EUR. During the conference, participants will be introduced to the latest developments and trends in the new business sector, as well as support opportunities offered by Latvia to promote successful business.

**Startup day.** Latvia is also the first country in the world, according to the authors of the initiative, who are encouraged to officially mark one day a year as a startup day. The initiative was jointly presented in 2017 by Lattelecom, the Digital Freedom Festival, the Latvian Startup Business Association, and associates who, in an open letter, invited the Cabinet to support startups, which, among other things, are set to mark September 12 as Start-up Day in Latvia. The aim of the Start-up Day is to draw the attention of Latvia and the international community to Latvia's goal of becoming a technologically innovative and business-friendly country. The authors of the initiative invite all public institutions, as well as businessmen and other non-governmental organizations involved in the creation and development of start-ups, to join the movement. Thus, Latvia will be the first country in this form to demonstrate its willingness to actively cooperate with start-ups or start-ups, appreciating their contribution to innovation and economic development of the country. The start-up day has been celebrated for two years in a row See also the second start-up community forum

## 2. Funding opportunities

The Latvian Venture Capital Association (LVCA) was founded in 2003 by the six largest companies operating in the venture capital industry in Latvia.

Baltcap Management Latvia, EKO Investors, Hanseatic Capital Latvia, NCH Advisors INC., Norway-Latvia Business Development Fund, and Small Enterprise Assistance Funds, as well as the Latvian Development Agency, to promote the development of the venture capital industry in Latvia. The association currently brings together 42 organizations: most of the venture capital industry in Latvia, including a number of funds that invest in startups in Latvia, such as acceleration funds, Commercialization Reactor and Buildit, and startup funds Imprimatur Capital, Expansion Capital, and FlyCap, ProxCapital, Social Discovery Ventures. In 2017, LVCA members have invested more than EUR 26 million in more than 17 companies, representing primarily sectors such as information technology, electronics, services, and manufacturing.

Since 2015, LVCA and Latvian Business Angels Network (LatBAN) have jointly implemented the Investor of the Year initiative, which aims to promote the development of the investment industry in Latvia by expanding the network of investors. In recognition and promotion of the most successful investments of 2018, investors and business advisors who have made a significant contribution to the development of Latvian investment environment and business have also received awards. Anatoly Prohorov received the "Most Promising Investment of the Year 2018" award in the private sector for his re-investment in audio technology start-up Sonarworks. The investment of the year 2018 was awarded to international investment company Kartesia for the first investment transaction in the Baltic States - acquisition of anti-reflective glass manufacturing company GroGlass, which is considered one of the most successful high-tech start-ups in Latvia. The "Environment-friendly Investment 2018" award was received by an investor, Matbrief Answirlwind, on investment in the start-up AirBoard, which built the world's first high-bearing (100 kg) Unpilot aircraft "AirBoard Agro".

**Latvian Business Angels** Network has been operating since 2014 and unites Latvian private investors or business angels (75 members). According to the Society, the Business Angel is a significant support for startups with early growth potential, and the business angel's business experience and contacts make it possible to find the shortest route to profit for the project. LatBan is actively involved in creating a new business environment, both by facilitating access to finance for Latvian start-ups, and by organizing master classes in attracting and investing. There are monthly investment sessions where companies, including startups, can present their ideas to business angels.

<https://www.latban.lv/>

### 3. Coworking

The beginnings of a common processing space are considered hackerspace. In Riga, the "Make Riga" society, which is located on the premises and members of the Electronics and Computer Science Institute, provides the opportunity to use the tools, work together on hardware projects and share knowledge, as well as the use of coworking space. The organization is actively involved in the organization of hackathons and meet-ups.

In addition to fully open coworking offices, specialized coworking spaces are being opened and operated around the world, targeting selected actors. For example, Washington's Hera Hub is a coworking space created by women, Philadelphia's Tribe Commons focuses on young Jewish entrepreneurs, New York's Paragraph offers jobs for writers, La Ruche in Paris carefully selects employees for social entrepreneurship projects, BoxHub "Copenhagen focuses on architecture, construction and digitalization, bringing together industry partners to come up with new ideas. One of Riga's special collaborations, Photo Space Riga, where photography and creative enthusiasts can meet, offers both individual workplaces and the necessary equipment and event rooms.

For start-ups, a specialized working space is TechHub, which is also the largest start-up community in Latvia, but a relatively high proportion of start-ups are also in The coworking of The Mill and OracleTangSpace. Technical areas are also popular " FabLabi "and "MakerSpace", which provides the resources, tools and techniques for hand-made work.

Co-operative premises are also offered by university business support centers: Student Business Incubator of the University of Latvia, RTU, Turība business hub, as well as co-operative premises in the regions: Coworking Liepaja, co-operative premises of Ventspils Business Support center.

	Name	Area	Capacity (Maximum working table/person Number of	The new Company Number of	Monthly fee for the fixed-Job Table	The monthly cost of sharing Work desk	Part of the global Network
1	TechHub Riga	70 m2	60	100%	100	75	is
2	Swedbank DoBe	not data	50	80%	0	0	not
3	THE MILL	150 m2	20	50%	150+PVN	100+PVN	not
4	OracleTang Space	700 m2	100	30%	130	110	not
5	Double9	250 m2	40	25%	169	119	not
6	Coworking Riga	650 m2	50	20%	120	100	is

7	TEIKUMS	not data	150	10%	180	150	not
8	Regus	not data	3-5 people	0%	Personalised Rate	Personalised Rate	is
9	Darba Vieta	900 m2	90	not data	140	75	not
10	Workland	759.7 m2	not data	not data	Starting from 250	nav	not
11	People Work	3500 m2	400	not data	199	99	
12	Make Riga	151m2+	15	not data	-	25	not
13	Birojnīca	113,5 m2	15-90	-	-	-	not
14	Coworking Liepāja	450 m2	40	not data	80	60	not
15	Ventspils Business support center	120 m2	10	not data	-	-	not

#### 4. Cooperation of Latvian corporations with start-ups

In the start-up phase, large companies participate in events that can be both one-off and recurring, such as hackathons or mentoring, followed by various support measures. Specialized start-up programs or open coworking spaces may also be created. The next type of engagement is participating in accelerators, working in partnership with an investment fund and providing a vertical function, or access to a customer base, sector knowledge, and so on. Options. The next step is engaging in spin-offs in corporations where new products / services are created in partnership with start-ups, followed by investment in start-ups or mergers and acquisitions.

**Accenture** (<https://www.accenture.com/>) has been partnering with startups since mid-2017 and is now mostly mentoring startups. This happens both within accelerators and in other cases that can be classified as support activities. Working with incubators and accelerators, the company wants to not only create and define an offer, but also help it grow.

Like other large technology companies in Latvia, Accenture operates its own internal incubator, which the company considers to be a sandbox and tests various business solutions. Accenture, in its incubator format, does not focus on the creation of new businesses, but on the development of service solutions that can then be channeled into Accenture's offerings. The company is an integration and service company, not a product creator, so it could be partly classified as a spinoff activity but does not follow the creation of a new business as a final product.

The Accenture Innovation Unit is responsible for working with start-ups, but to avoid wasting time on different quality companies, they only work with incubators and accelerators, which can ensure that startups have the potential to work together. Additional product and offer research is being conducted to gain access to the company's top 200 customer database (support measures). Similarly, with mature start-ups, in-depth interviews are conducted to verify the company's credibility. Mentoring is mostly provided for start-ups. Early-stage start-ups are helped to build a business development road map to show their potential for growth.

All in all, there is the opportunity to work with startups to create collaborative innovation where prototypes are created with existing Accenture customers to completely change existing practices. The sale of the prototype idea is followed by a test trial phase, which takes about half a year. Similarly, more radical models of innovation are being used, using imaginary solutions for which the market has indicated that there may be demand. Accenture is then open to collaboration with universities, and usually takes at least a year<sup>216</sup>. Although there is a process of development and research, some companies are not created.

**LMT** ([www.lmt.lv](http://www.lmt.lv)) is open to several levels of mentoring, but the company recognizes that there is no common strategy for direct support for start-ups at the beginning of 2019, so the common goal for 2019 is to develop a possible program for collaboration with start-ups that are attractive to the corporate environment. So the company is exploring options for setting up start-up support programs.



LMT is open to considering new companies as potential partners. For example, in spring 2017, the company announced the launch of a collaboration with machine vision technology company 4SmartStreets to develop a prototype artificial intelligence parking solution.

The LMT also works as a start-up support platform, with the potential to create Spinoffi. Riga's high-tech education society, bringing together the Institute of Electronics and Computer science with start-up 'Pilot Automotive Labs', develops autonomous car technology solutions, while the LMT will provide them with appropriate communication Infrastructure, and will also develop 5G network for self-driving car applications directly for testing.

**The Draugiem Group** (<https://draugiemgroup.com/>) is open and involved in local start-up environments but points out that there is also a lack of quality preparation or pre-selection for business ideas by the players involved, which reduces the quality and added value of the Draugiem Group mentors or jury members. during such events. The Draugiem Group prioritizes only those activities in which it believes in result and influence rather than formal need.

The Draugiem Group is a form of engagement that maintains the culture of innovation and start-ups in a group that builds an in-house think-tank by promoting spin-offs, one of the top engagements, and participating in start-up environmental events, business idea evaluation and mentoring, etc. cooperation with local ecosystem developers (LIAA, Junior Achievement Latvia, HansaMatrix, LU Student Business Incubator, RTU Design Factory), active in Latvian start-up community.

For over 10 years, **Cube Systems** (<https://www.cubesystems.lv/>) has been proud to develop meaningful, state-of-the-art and efficient digital solutions for customers in a variety of industries. The company uses start-up activation models, but it is mostly used internally. The company organizes "Constructor 36" Hackathons internally, giving employees the opportunity to team up and create new products. To ensure the success of the event, mentors with technology or marketing expertise are recruited. Also, the company sometimes participates in mentoring activities, although the capacity is relatively limited due to human resources and due to specific knowledge.