

EXTERNAL SUPPORT OF START-UPS

Štefan SLÁVIK, Eliška ZÁLEŽÁKOVÁ

Abstract

Start-up is a very small, beginning enterprise that has a business idea, but it is almost lacking all the resources needed to develop a business, including experiences. Extremely fast growth and scalability cannot be ensured by internal resources from organic growth, so start-up will be dependent on an external support. The aim of the research was to find out how start-ups perceive the form and degree of external support from larger and established companies, government/state administration and universities, start-up scene and investors. Research has shown that the most effective and most accepted support is provided by the start-up scene and investors, apparently less support comes from larger established enterprises, support from the state/government and universities is little expected and accepted. The key to suitable support is to investigate the motivation of providers and recipients of support and to understand the asymmetry of their relationships. The extent and quality of start-up support from larger and established companies depends on mutual expectations. Support of start-ups from government and higher education institutions has the lowest effect among all external actors. Support from investors is accepted most among the evaluated impacts. Investors with their resources are a vital condition for running the start-up.

Keywords

Start-up, state/government support of business, universities, bigger and established companies, start-up scene, investors

JEL Classification: M13, L26, L25

Introduction

Start-up is a very small beginning enterprise, usually without any business experiences, with very modest financial, human and material resources. Its only significant asset is a business idea that has to be verified on the base of a functioning business model. P. Graham adds (www.forbes.com, 2013) that most start-ups cease to be a start-up after three years of business making, P. Thiel writes (2014, pp. 10, 11) that the start-up is a community of people who have joined to achieve a remarkable goal through extraordinary intellectual effort, E. Ries emphasizes (2011, p. 27) that start-up operates under conditions of extreme uncertainty, S. Blank and B. Dorf (2012, p. XVIII) put emphasis on scalability and technology, and A. Kiska Jr. (www.tyinternety.cz) considers exponential growth and a high rate of return on venture capital as a typical start-up attribute.

Start-ups may be perceived to some extent as a source of economic development impetus. They are a school of practical business making, creating jobs, providing with space for unprecedented self-realization of their founders and their co-workers, finding and creating inventions, transforming them into innovations that are outside the field of view of bigger companies or are too risky for standard companies. Start-ups are entrepreneurial initiatives that "contribute to the development of high added

value industries, to regional and global competitiveness, contribute to building the image of the country as an innovative economy" (Kolektív, p. 119). Start-ups can contribute to structural changes in the national economy as they are the carriers of significant innovations.

The entrepreneurial potential that start-ups hide in their core, as their economic results and their impact on the country is still negligible, attracts not only business pioneers, but also elicits the attention of investors, established companies, universities and the state lastly. The questions arise whether the start-ups should be influenced externally, in what way, with what effect, what do the start-ups themselves need or do they want/do not they want. The deliberate influence upon a system from the outside, although with the best intentions, may be as controversial, risky, or ineffective as the spontaneous behaviour of its inner elements.

1 Current state of external start-up support

State support of business making in Slovakia is carried out by the Ministry of Economy. This central body of state administration manages activities to support and develop small and medium-sized businesses in general and then specifically to support start-ups. The executive agency that directly supports

start-ups is the Slovak Business Agency (SBA). Agency through a specialized subsidiary of the National Holding Fund, s. r. o. supports small and medium-sized enterprises in the form of micro-loans and venture capital funds (NHF, 2015). The SBA has a simple administration and soft conditions to provide support. It sends out start-upers abroad for exhibitions, competitions, internships and conferences.

The State Start-up Support Program (MH SR, 2015) is implemented through two components:

The first component supports the creation of a favourable environment for the emergence of technology-driven start-ups and innovations. It provides information, consultancy and education, supports launching start-up events in Slovakia, participation of business applicants in international start-up events, mediates meetings with investors and potential business partners and associates applicants for entrepreneurship.

The second component supports the implementation of specific intents, such as processing a feasibility study, completing a product development, or creating a functional prototype, including testing and introductory presentation to get feedback. All activities are provided without co-financing of the applicant up to the limit of 15 000 euros within the component (MH SR, 2015).

When granting a state support, it is necessary to examine whether a small or medium-sized enterprise is not behind a start-up. Some start-ups do not even have a business model. Many start-upers cannot do the basic administration, elaborate the project and present it well. Many are grateful for help, others are uplifting, even slightly stubborn. Some of them can extend their hands only, so government agency has to be careful when providing support.

Universities are currently facing a challenge to move from the classroom to the business ecosystem (Bliemel, 2014). Universities are traditional centres of scientific research and exceptional knowledge, but they cannot use their precious resources to meet market needs. Their results have little impact on the lives of ordinary people outside the academy (Stagars, 2014). They are challenged to support establishing start-ups because they have both knowledge and infrastructure but have difficulty in identifying market opportunities (Rae et al., 2012). Problems also arise in the business sphere, as there is a lack of specialists in co-operation with universities (Ranga et al., 2013). Universities face the opportunity to set up their own start-ups to implement their inventions. However, this requires further investment (Swamidass, 2013). Three examples of start-up activities are known from the Slovak universities: the private VŠEMvs in Bratislava (GROWUP – Start-Up Centrum) and the public

universities ŽU v Žiline (Start-up program - Occupation the Entrepreneur) and TU in Košice (Start-up Centre).

According to the KPMG Slovakia survey in 2013, the start-up support from medium and large enterprises amongst all types of external support was the smallest (KPMG, 2013, p. 12), although the entrepreneurial interests of start-ups and companies are considerably overlapping (around 75 %). However, companies have shown willingness to provide mentoring and knowledge about market and entering market (KPMG, 2013, pp. 19, 23). According to a similar survey by KPMG Slovakia in 2014, the business sphere is open to cooperation (KPMG, 2014, p. 23). Up to 96 % of respondents said that start-ups should be supported. Reasons for granting support are mostly commercial. Social responsibility towards start-ups is only at the end of the interest of the questioned companies. It is encouraging that companies see specific business reasons for start-up support, e. g. access to talent, contribution to self-growth, internal innovation needs, prospective investment, diversification, new products and services, and a gradual change of attitude is coming.

In the start-up ecosystem survey in 2016 (KPMG, 2016, p. 33), about two-thirds of the surveyed enterprises did not engage in the Slovak start-up ecosystem because 65 % of them did not consider it an internal priority. However, 79 % of the companies that engaged in it considered this to be their biggest challenge. It is remarkable that large companies with more than 500 employees have hardly been involved in this matter. A minority of companies that engaged in the ecosystem have expected (KPMG, 2016, p. 34) a contribution to their growth, access to innovation and the acquisition of talent. Benefits for companies far outweighed the benefits for the society, e. g. socially responsible conduct. Enterprises supporting start-ups (KPMG, 2016, p. 35) provide mentoring (75 %) and direct investment (50 %). Transferring knowledge and experiences is extremely valuable to founders, and investment is a clear indication of engagement and confidence in the start-up. Compared to 2013, the industry interests of start-ups in 2016 were scattered, but 50 % of questioned enterprises prefer fintech, business services, and enterprise software.

The start-up scene is important for the existence and development of start-ups, providing business and advisory services. The start-up community is teaming up at the StartupCamp events at KC Dunaj and the informal StartupWeekend event. It works in co-working centres, e. g. The Spot, Impact Hub, Connect, Binarium and others. Co-working is a style of work and business making in an open office environment where tenants assess and exchange their experiences

and ideas. It is a dynamic, stimulating and creative environment. Also developers who offer free space in office buildings and an internet portal of Startitup that captures current events amongst start-ups also contribute to the development of the start-up scene. Start-ups are also being developed through industrial spin-off projects. These are small companies that are split off from a larger company and fairly independently develop their business ideas. The purpose of the start-up scene resides in building a related community that gives the complete beginners a sense of self-esteem, professional help, and basic material conditions for doing business.

For the existence of start-ups there is very important access to a seed capital. In the beginning completely, funding is coming from the founder, friends and family. For larger investors, this is a positive sign when a starting entrepreneur risks his/her own money. The second source is business angels. In particular, they are physical persons who, besides finance, also bring their own experience, advice and valuable contacts. In Slovakia they are associated in Slovak Business Angels Networks (SBAN). A special group of resources as well as expert assistance are mediators and consultants, particularly 42angels, Neulogy and G4 private investment club. Another source of investment is financial groups, e. g. Arca Capital Slovakia. Some of them are specialized in high-risk investments with considerable potential, e. g. Fond of Fonds, Credo ventures, Genesis Capital and 3TS Capital Partners. Start-ups are also supported by large companies, e. g. SAP organizes the Start-up Forum Technology Conference, where it selects the start-ups it implements in its technology incubator. In the meantime, crowdfunding is becoming popular that is a form of collective funding from small donors. Start-ups as a major problem and barrier to their existence consider very limited access to resources from which they would finance their operation until they become financially independent. Investors consider a malfunctioning start-up business model as the main reason for prudent financing. Start-up is in the relationship of investor and entrepreneur in the position of the applicant and its main and almost the only argument is a convincing and attractive business model.

2 Goals and methods of research, research sample

The aim of the research was to find out how start-ups perceive the form and degree of external support from larger and established companies, government/state administration and universities, start-up scene and investors. Start-ups like young, inexperienced and undeveloped enterprises are prone to expect, seek and use an assistance from outside.

Research should provide a knowledge on how start-ups perceive and evaluate external assistance from particular groups of supporters, how the support has changed during the research, what it brought the start-ups and what they expected.

Sources of knowledge about surveyed start-ups are personal realization of research, managed interview, record of answers in questionnaire, additional interviews as needed, publicly available information from start-up websites, other websites and professional books and journals. Start-upers expressed themselves directly, specifically and openly, not inclined to skate or conceal anything. However, in the second and third stage of the research, they did not comment the support very much because there were no significant changes and the set of supporters was not changed. The support rate is scaled in extent: 1 - minimum, 2 - low, 3 - satisfactory, 4 - acceptable, 5 - excellent. Tables 1 to 5 show the start-up shares (%) on the research sample according to the support rate.

The research was conducted in three stages (October - December 2015, June - July 2016, January - March 2017). It captures start-ups approximately during one and a half year (October 2015 - March 2017). In the first, second and third stage of the survey, the sample contained 76, 72 and 53 start-ups.

3 Research results

3.1 Support of start-ups from larger and established enterprises

In the first stage of research, the start-ups felt minimal or low support as the indifference and unwillingness of large companies to co-operate, as problematic there had been perceived communication and formal approach. Some companies have shown an interest in purchase of products, although they have finally sought to imitate an idea. The start-ups tried to connect contacts with distribution partners. On the other hand, the start-ups also expressed their indifference, did not look for and did not expect support or help.

Satisfactory, acceptable and excellent support represented mainly consultancy and provision of business contacts particularly towards potential customers. Material assistance has been demonstrated, for example, in discount of rent, software and hardware. The support was reflected in the helpfulness of suppliers and potential customers, e. g. provision of a grant, commenting on the solution, providing feedback and substituting customer roles.

In the second stage of research, the start-ups have positively evaluated contact with potential customers

who give feedback, and according to their comments, start-up adjusts its product, established companies offer financing and repurchase at the exit, partnership, distribution, business development, assistance of advisors, business contacts, although many of them were unproductive.

In the third stage of research, e. g. media houses have expressed an interest in a specific support of a

start-up that offers mediation of tutoring, and KPMG and Eset have begun to support a start-up that develops forward-looking, specialized e-commerce. The overall assessment of support rates from larger enterprises and their comparison in the three stages of the research is shown in Table 1.

Table 1. Support of start-ups from bigger companies

Stage of research →	1.	2.	3.
Rate of support ↓	(%)	(%)	(%)
1-minimal	33,33	21,12	26,41
2-low	27,77	22,53	28,30
3-satisfactory	20,83	25,32	20,75
4-acceptable	11,11	23,94	18,86
5-excelent	6,94	7,04	5,66
Average degree (1-5)	2,3	2,73	2,49

3.2 Support of start-ups from state administration and higher education institutions

In the first stage of research, the start-ups recorded a number of legislative constraints and barriers to doing business, extensive bureaucracy, the necessity of various permits, complicated taxes, accounting, levies, e. g. complicated registration of VAT payment due to non-acceptance of a foreign invoice, which has a different structure, as required by Slovak legislation. They met with a lack of interest, because the attitude to the start-ups is the same as for other companies, and communication with the authorities is complicated. Start-ups stated that support of business is weak.

The low support was reflected in the fact that many support tools are aimed at people who do not have any business experience, and too many supporting events take place only in Bratislava and their dispersion to the regions would be useful as well.

Satisfactory support was reflected in the action of SAV (Slovak academy of sciences) and the attitude of an university on which the start-up weekend took place. An acceptable evaluation was given to participation of start-ups at exhibitions with support of SBA, conferences with support of SBA and Startup Sharks, collaboration with SARIO, e. g. development of foreign relations, support of the Ministry of Economy, e. g. attending a conference abroad, or enabling a business trip abroad.

Excellent support is expressed, for example by start-up Profiveg, doing business in agriculture. It

managed to get a contribution from the euro-funds to support domestic agriculture. The support covered all the costs of purchasing technologies, installing them and all inputs necessary for production. The amount of the contribution was 50 000 €.

There was also a neutral viewpoint that the start-up has got no, good or bad experiences, sayings that in addition to the start-up weekend, start-upers did not seek any assistance and did not ask for grants so far. Outstanding support was a paradoxical statement that the start-up did not seek any support and was trying to avoid support from the state administration and not use its services.

In the second stage of the research, the SBA Support Program, which reimburses travel expenses and fees for foreign conferences, was positively evaluated. Agroinstitut, e. g. after consulting with marketing experts, recommended the change of the start-up name Profiveg to MicroVeg. The Ministry of Foreign Affairs helps to establish business contacts abroad in cooperation with the relevant embassies.

In the third stage, there was an unspecified, but negative assessment of state aid. The minimum rating has been rendered to the non-transparency of the euro-funds, due to which the start-up has withdrawn from the request for this type of assistance. Support from SBA and SARIO has been positively evaluated. The summary of the extent of start-up support from the state administration is quoted in Table 2.

Table 2. Support of start-ups from government/state administration

Stage of research →	1.	2.	3.
Rate of support ↓	(%)	(%)	(%)
1-minimal	65,27	56,33	56,60
2-low	9,72	22,53	35,84
3-satisfactory	11,11	9,85	3,77
4-acceptable	11,11	9,85	1,88
5-excellent	2,77	1,40	1,88
Average degree (1-5)	1,76	1,77	1,56

In the second and third stage, research attention was also paid to a support for start-ups from universities. In the second stage, the minimum support was that start-ups did not even perceive support from universities. One of the start-ups indicated negative viewpoint that a member of his team was a PhD student at a university where he had problems because of doing business in the start-up. This is surprising, because this university otherwise has resulted in positive attitude. The low support also resided in the poor response of the college, although the start-up initiatively sought to cooperate.

Satisfactory there is evaluated an assistance of a pedagogue from the medical faculty at development

of a business idea (Lifeclick). Acceptable and excellent support was from the University of Žilina, UCM Trnava, Comenius University Bratislava, TUKE (startup is a member of StartUp Center TUKE), STU and its INQB. One start-up (Appendino) has a partnership with a university in Italy.

In the third stage of the research, quirky minimum support was recorded when STU expects to receive a payment for permission to teach a software that developed the start-up (Vectary). Even the recruitment of employees or the offer of the software tool were perceived as minimal support.

Table 3. Support of start-ups from universities

Stage of research →	2.	3.
Rate of support ↓	(%)	(%)
1-minimal	53,52	49,05
2-low	28,16	30,18
3-satisfactory	9,85	15,09
4-acceptable	7,04	3,77
5-excellent	1,40	1,88
Average degree (1-5)	1,6	1,79

The cooperation with the FEI STU has been favourably evaluated. So-called blockchain clubs for students exist there. IT students, however, are required to be educated in entrepreneurial skills to be able to work in a start-up. Summarizing results about support from universities are shown in Table 3.

3.3 Support from the start-up scene

In the first stage of research, the start-ups rated negatively that most of the start-up events is arranged in capital of Bratislava, and there are not so many other opportunities elsewhere. However, some start-ups do not express an interest to cooperate with other start-ups and are not actively engaged in the start-up

community, they are not looking for start-up events but will do so in the future. Start-up competitions are perceived more positive, they are considered a good opportunity to raise money, to make a presentation and advertising. Some start-ups are not interested in a start-up scene, e. g. incubators go on their own, have higher ambitions from the start and therefore do not look for investors and support at the home start-up scene, or overrun the start-ups they are neighbouring in one building, and hence they rather support other start-ups than are supported themselves.

The lower rate of support resides in acceptable prices for rental in the co-working area, the availability of useful contacts, consultations, regular presentation of the results in front of experts in the common work space with other start-ups.

Nevertheless, one start-up complained that although it is located in a foreign accelerator, even has a mentor from the USA who has arranged the necessary contacts, so in the accelerator there is great competition.

Satisfactory, acceptable and excellent support is reflected in providing mentoring, know-how, consultancy, contacts, experiences, creative space in co-working, a well-functioning start-up community, marketing, presentation on web portals, start-up events, competitions, workshops, promotion, success sharing and activities on social networks. There are positively perceived motivational lessons from various associations and institutions, e. g. SBA, KPMG. Start-upers appreciate the specific support from The Spot, Start-up Awards, Connect Co-working, Impact Hub, SBA, KPMG, Neulogy, Connect Co-working (venues, consulting), Flemio Accelerator, University of Žilina, Eastcubator, TUKE.

Meetings with people from start-up scene are always considered to be beneficial because they share experiences and get advice, it is a community with friendship relations, but some start-ups would welcome more help and support from colleges, especially mentoring.

In the second phase, one start-up indicated a low support that hardware start-ups did not have as much support and possibilities as software and application start-ups. Start-up, which considers the support as satisfactory, believes that the start-up scene focuses primarily on the initial stages of start-up development,

but would appreciate support and advice at later stages.

Acceptable and excellent support was given to lessons, meetings, cognitive events, contacts and informal communication based on personal acquaintances. It was appreciated that the start-up scene is small, everybody knows all the community, everybody can debate and help in the community. Some expressions has been also noted that in the past, the start-up was using a consultancy and was part of the accelerator, but nowadays it has no support or is not needed, but in case of further expansion in the future it will consider it.

In the third stage of the research, the minimum support was that the start-up did not use any possibility, but it would be thinking in perspective about some support. Another start-up considers minimal support as it gets less and less support, but the start-up scene considers these issues to be marginal if start-ups are at a higher stage of development.

Acceptable support from the investor meant that the start-up moved from a co-working centre to an individual and separate space, this change reinforced the team spirit, meetings with other start-up players are done more through the friendly line. One start-up said that there is a lot of effort, a lot of help, but they are less purposeful and without a lot of benefit. Outstanding support was in the form of events and mentoring. The cumulative assessment is contained in Table 4.

Table 4. Support of start-ups from start-up scene

Stage of research →	1.	2.	3.
Rate of support ↓	(%)	(%)	(%)
1-minimal	15,27	11,26	15,09
2-low	9,72	14,08	20,75
3-satisfactory	27,77	29,57	28,30
4-acceptable	34,72	38,02	26,41
5-excellent	1,38	7,04	9,43
Average degree (1-5)	3,18	3,15	2,94

3.4 Support from investors

In the first stage of the research, the minimum support was expressing in the fact that nobody addressed the start-up, an investor was not managed to gain, even though he/she was initially interested. Some start-ups did not look for support of an investor, but they plan to address an investor in the future.

Low support was given to the start-up, which deals with the topic in Slovakia as the only one, and therefore the founders were expecting to get a great

support from all sides. Another start-up said it does not want a support from Slovak investors because they have more stringent contract terms than the foreign ones and, in addition to, relatively slow approval process.

Satisfactory, acceptable and excellent support was reflected in consultancy about business model and marketing, in getting contacts, financial assistance, cooperation with an angel investor, in assistance at the idea implementation and team building and e. g. in

concrete assistance with recycling of wood waste and interior and exterior design.

The investor who provides finance is considered as aid and support, but his/her impact on business strategy and the effort to engage in start-up management is perceived with displeasure. The founder is concerned about conflicts and misunderstandings because he/she has a slightly different view of business and its start-up form.

Excellent help and serious consultancy is provided by Wayra, Neulogy, Flemio, Danubia Tel, Deutsche Telekom. Start-ups are welcoming and appreciating financial support, but in addition to there is important mentoring, which was weak at the beginning but is improving continually. More important than finance there are consultancy, experiences and networking.

In the second phase of the research, the minimum support is identified with the decision not to use the offer of investors and apply for a bank loan. The low support rate has indicated that investors and funding are being found heavily. An acceptable level of support consisted in consultancy. Excellent support rates are provided by Neulogy and Wayra, which maintain a neutral attitude, on the other hand, private persons often demand a return on the money they provide, e. g. share of property, profits, and so on.

In the third stage, minimal support once again meant that the start-ups do not have an investor or are currently not planning to use their support. Excellent support comes from Neulogy. The summarizing evaluation is in Table 5.

Table 5. Support of start-ups from investors

Stage of research →	1.	2.	3.
Rate of support ↓	(%)	(%)	(%)
1-minimal	25,00	15,49	18,86
2-low	9,72	18,30	15,09
3-satisfactory	25,00	25,35	22,64
4-acceptable	22,22	22,53	28,30
5-excellent	18,05	18,30	15,09
Average degree (1-5)	2,98	3,25	3,05

The start-ups in the first stage of the research have indicated an aid from the start-up scene as the highest level of support and considered the assistance from the state administration as the lowest level of support. In the second and third stage of the research, the ranking changed, the highest level of support was represented by the investors, and the support from the state administration and the higher education institutions were the least appreciated. The average

assessment of the main kinds of support in the particular stages of the research is shown in Table 6. However, no significant changes were made during the three research stages in the size of the investigated assistances. Some start-ups, however, do not search for support because they want to find their own way, do not want to be dependent or committed, and are often disgusted with formality, inefficiency, non-usefulness and waste of time.

Table 6. Average evaluation of kinds of support

Kind of support	Stage of research – average degree (1-5)			Tendency
	1.	2.	3.	
start-up scene	3,18	3,15	2,94	gentle decline
investors	2,98	3,25	3,05	gentle rise-decline
bigger established companies	2,30	2,73	2,49	gentle rise-decline
government/state administration	1,76	1,77	1,56	gentle decline
universities	-	1,60	1,90	gentle rise

4 Discussion

The extent and quality of start-up support from larger and established companies depends on mutual expectations. If cooperation is to be deepened and

expanded, it must be mutually beneficial. Start-up are missing most of the resources necessary to complete the business model, but most of all, there is a lack of a distribution channel that needs to be built or another enterprise has to make it available. On the other hand,

larger companies have a business model built up and functioning, doing their business for a long time even without cooperation with start-ups. Larger and older companies, however, lack new ideas and willingness to take a risk. Larger companies do not provide their assistance passively or unselfishly only. They try to interfere in the internal processes of a start-up, to change the business concept, or appropriate an entrepreneurial idea. Start-ups perceive such an action with mistrust and displeasure. The relationship between larger and older and very small, incomplete and starting enterprise is asymmetric. This asymmetry can initially be overcome by generosity, altruism, corporate responsibility of larger companies, but later start-ups must deserve the attention and support of larger companies with the originality and potential profitability of their business, or with the proof of actual results, e. g. functional prototype and first sales.

Support of start-ups from government and higher education institutions has the lowest effect among all external actors. This low effect is accompanied by mistrust or aversion to the state administration and its authorities that regulate the business environment. Start-ups are extremely sensitive to the extent and complexity of the administration they have to carry out to meet the requirements of government authorities. They are even willing to sacrifice any government support because of simplification of the administration or helpfulness of the authorities to meet the administrative requirements. A minority of start-ups expects leniency or special rules for their doing business, and most start-ups would be satisfied with the same rules for all types of business, but as simple and stable as possible. Nervousness from the state administration stems from the very limited start-up work capacity, which is almost exclusively devoted to the development of business, and therefore there is no capacity to fulfil other duties, and from insufficient cognition of the state administration and relevant skills to meet it. The state does not have a good reputation at start-ups, they rather appreciate that it does not lay obstacles than it helps them. Nonetheless, the SBA's recognition of support is worthwhile because it offers meaningful and effective activities. However, it is generally indicative for the state support of start-ups that the state provides it more for political than economic reasons. The negotiating asymmetry is considerable, and therefore the negotiating power of the start-ups is negligible. It could be increased by the start-ups association, but given the short life of the start-up, it would not be probably a strong interest in setting it up.

Start-ups expect a support from universities only marginally. This is related to the fact that universities are traditionally centres of education and partly scientific research, but they play little or no role in

their surroundings as a cultural, educational and socialization institution. Universities have lost their monopoly on education and research, found themselves in the competition of foreign and domestic consulting firms, and are perceived too academically, although their potential and actual results can have very practical consequences. Technical faculties of universities are better perceived, because they provide their laboratory and testing capacities. Faculties teaching business economics and management educate mainly future employees, they deliver little or no entrepreneurship as a profession of its kind.

Support of start-up scene has the second best response. It is an informal environment of related souls that works on the basis of an unselfish exchange of knowledge and experiences that passes through the scene without more significant barriers. Collaboration is also encouraged by the existence of co-working spaces, start-up competitions and events that naturally involve start-ups and their founders. Collaboration is also supported by the common interests of start-upers conditioned by their age, similar challenges and tasks, lack of entrepreneurial competences, skills and uncertainty in a new life and existence situation. All of them are roughly on the same starting line without any major differences, so they are not yet seen as competitors. Mutual reliance gives them strength and self-confidence, almost symmetrical relationships foster mutually beneficial cooperation.

Support from investors is accepted most among the evaluated impacts. Investors with their resources are a vital condition for running the start-up. As they risk their private resources, they are motivated to help the start-ups with advice and mediation of business contacts, and at the same time they create supervision and pressure for responsible use and appreciation of the resources entrusted. Start-ups, however, should, in addition to external private sources, also input their own resources into business, especially savings to increase their personal responsibility for doing business. The relationship between start-upers and investors is also asymmetrical. Start-upers have an idea, but they do not have the experience and money, investors have money and experience usually too, but they do not have an attractive idea or do not want to develop and realize an idea. The quality idea and the quality founder and his/her team increase the negotiating power of the start-up towards investors.

5 Conclusion

The current level and offer of external support basically corresponds to the size and quality of the start-up scene. Administratively simple types of support have been proven, which supplement the lack

of finance, knowledge, experience and business contacts or improve existing resources and processes. Start-ups as very small and incomplete enterprises are always dependent on some external support. However, start-ups have to deserve the scale and depth of this support, because the low barrier approach leads to a wastage of provided resources and the low efficiency of their use, the loss of responsibility for resource valorisation and demoralizing entrepreneurial spirit. High barriers also demoralize and undermine the entrepreneurial spirit, they do not distinguish between less and more promising business ideas, and may have even more negative effects than not providing any external support. While state support, including support from higher education institutions, is a matter

of public policy and depends on political prudence and visionary of politicians, so support from companies, the start-up scene and investors is a matter of private interests and market forces. Public and private parties associate a common interest in the economic development of the society in which start-ups have not yet uttered the last word.

Acknowledgments

The article is an output of research project VEGA MŠ SR and SAV No. VEGA 1/0019/15 Business models and business strategies of start-ups (2015 – 2017).

References

- Blank, S. - Dorf, B. (2012). *The start-up owner's manual*. The step-by-step guide for building a great company. K&S Ranch Publishing Division.
- Bliemel, M. J. (2014). Getting entrepreneurship education out of the classroom and into students' heads. *Entrepreneurship Research Journal*, ISSN 2157-5665, 4 (2).
<http://www.forbes.com/sites/natalierobehmed/2013/12/16/what-is-a-startup/>.
- Kiska, A. (2017). Venture kapitál v praxi na príklade Credo Ventures. Approachable from: <http://www.tyinternety.cz/startupy/kiska-venture-kapital-v-praxi-na-prikladu-credo-ventures/>.
- Kolektív (2015). *Start-up for dummies*. Digital Visions. Konceptia pre podporu startupov a rozvoj startupového ekosystému v SR.
- Národný Holdingový Fond. (2015). [online] [cit. 28.8. 2015]. Approachable from: <http://www.nhfond.sk/>.
- Prieskum slovenského startup ekosystému 2014. (2014). KPMG in Slovakia, Bratislava.
- Program na podporu startupov. (2015). Ministerstvo hospodárstva SR [online] [cit. 28.8. 2015]. Approachable from: <http://www.sbagency.sk/statne-programy>.
- Rae, D., Martin, L., Antcliff, V., Hannon, P. (2012). Enterprise and entrepreneurship in English higher education: 2010 and beyond. *Journal of Small Business and Enterprise Development*, 19 (3).
- Ranga, M., Hoareau, C., Durazzi, N., Etzkowitz, H., Marcucci, P., Usher, A. (2013). *Study on university-business cooperation in the US*. EAC-2011-0469. London: LSE Enterprise Limited. The London School of Economics and Political Science.
- Ries, E. (2011). *The lean start-up*. Crown Business, New York.
- Stagars, M. (2014). *University Start-ups and Spin-Offs: Guide for Entrepreneurs in Academia*. New York: Apress.
- Startup Ecosystem Survey. Slovakia 2016. (2016). KPMG in Slovakia, Bratislava.
- Start-up Survey. (2013). Summary of findings of KPMG's 2013 Start-up Survey. KPMG in Slovakia, Bratislava.
- Swamidass, P. M. (2013). University start-ups as a commercialization alternative: lessons from three contrasting case studies. *The Journal of Technology Transfer*. 38 (6).
- Thiel, P. (2014). *Zero to one*. Notes on start-ups, or how to build the future. Crown Business, New York.

Contact

Štefan Slávik, prof.
 Department of Management
 Faculty of Business Management
 University of Economics in Bratislava
 Dolnozemska 1/b
 851 02 Bratislava
 Slovakia
 e-mail: stefan.slavik@euba.sk

Eliška Záležáková, PhD.
 Department of Management
 Faculty of Business Management
 University of Economics in Bratislava
 Dolnozemska 1/b
 851 02 Bratislava
 Slovakia
 e-mail: eliska.zalezakova@euba.sk