

A white, stylized robotic hand is shown from the left side, holding a large orange rectangular sign. The sign has a white border and contains the text "Let's #KickstartNL" in bold black font. The background is a light, neutral color.

**Let's
#KickstartNL**

techleap.nl

Kickstart the Dutch economy

The corona crisis has created an unknown and uncertain future. In times of crisis, each sector plays a role. They can all contribute in their own unique way to make the Netherlands stronger. During the corona crisis, the role is clear for all Dutch startups and scale-ups. They have the **ideas and drive** that our country needs now more than ever. During these difficult times, they can provide the **kickstart** our country needs to get moving again.

However, technology in itself is not the solution. It is the **entrepreneurs** behind these technologies that make the difference. They find innovative solutions and bring these to market. With their startups and scale-ups they create the new jobs. They build the ASMLs, TomToms, Philips' and Fokkers of the future. In addition, the products of startups and scale-ups **allow other companies such as SME's (small and medium-sized enterprises) to become more productive**. Think of, for instance, increasing their market access through developing online payment methods and facilitating global reach. We should be proud of our latest generation of Dutch businesses who are changing the world through technology.

The corona crisis has highlighted once more the importance of **innovations**. **Startups en scale-ups are crucial** for our employment opportunities, education, healthcare, purchases and to keep people connected.

Take Merel, for example. Her business, Nico.lab, uses machine learning to analyse brain CT-scans to quickly diagnose potential strokes. Or Janneke, who with Aura Aware developed a smart distance meter to help people maintain a 1.5 m distance within just 3 weeks. Or take Serge, whose company Ssula enables children to continue their education online during the corona crisis. Taco and Ties are also great examples. They set up their business VanMoof in 2009 and have seen a 48% increase in sales of their high tech feature e-bikes since the Corona outbreak.

The **ambition, energy and ideas** of the above and other startups and scale-ups in our country are unprecedented. This creates a sector that is three times **productive**, has a four times **faster growth rate** and has a three times **higher job creation rate** than any other sector. Every investment that the Dutch government has made in startups and scale-ups has been truly worthwhile and makes us **independent** from other countries. The corona crisis has also made this clear. It is better to have your own well-developed tech industry than to be dependent on others. At the moment the tech sector is

dominated by the United States and China. That is where the jobs and society of the future are created, while in the Netherlands we have the potential to do so at least as effectively.

Having a strong tech sector is not a luxury or a contingency for the future. It helps us survive in times of crisis. This is the mature outlook on the tech industry that the corona crisis has given us. It is a fact that over recent years, startups are an increasingly common topic of conversation in debates and the startup policy is in its early stages of development. However, the current crisis has shown that it has not yet become an integral part of our economic policy. A fitting crisis measure for these businesses is not self-evident as yet. Are we not translating this mature insight into actions? And do we fail to put the companies that are driving the new economy at the forefront? Then the harsh reality will be that other countries will catch up with us and overtake us.

And although our more than 7000 startups and scale-ups always initially draw on their own strengths and are generally loath to ask for help, they can certainly use some support. **The Dutch government can provide that support**. This does not always have to take the form of financial support. This can also be done with measures to promote innovative entrepreneurship in the Netherlands. This is what we need to help the Netherlands recover.



With this manifest we, the Dutch startups and scale-ups, investors and other organisations call on the next government to invest in the tech sector. How? With these 10-plus-one points:

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- 1** Allow new and innovative digital educational institutions to make use of available government funds and their students to be eligible for study financing.
- 2** Promote the development of top-quality technical studies (alpha, beta and gamma) and facilitate a large outflow of students from these studies to tech jobs.
- 3** Intensify strategic recruiting of tech talent in countries with large talent pools.
- 4** Maximise the impact of intellectual property of universities by making it quickly, easily and uniformly available to starting-up tech companies.
- 5** Implement an internationally competitive measure for share options encouraging employee participation.
- 6** Develop fiscal incentives for private parties and investors to invest in startups and scale-ups.
- 7** Strengthen the investment market by providing structural investments. Enable and allow institutional partners to invest in startups and scale-ups.
- 8** Stimulate diversity in the tech sector.
- 9** Appoint a strategic Chief Technology Officer (CTO) within each ministry to lead and facilitate the digital transformation.
- 10** Facilitate the structural development of knowledge among politicians and government employees regarding technological developments and allow businesses to develop into global players.
- +1** Place more emphasis on digital skills and entrepreneurship by incorporating it into the curriculum and ensure the active participation of startups and scaleups.

Modernise the labour market and education system and strengthen possibilities for growth.

In recent years, the employment rate in startups and scale-ups grew by 8%. This is more than in any other individual sector.¹ Startups remain the main driver of job creation and proved to be resilient during the corona crisis. Their added value to the economy can be further increased if they have talent at their disposal to fill the more than 60,000 available jobs in the IT-sector.² The corona crisis has accelerated the digitisation of the offline economy increasing the demand for digital talent.

With regard to digital talent, exclusively focusing on talent within the Netherlands is not enough. The declining proportion of young people in the Dutch (and European) population will only increase this shortage in the future. Developing economies, on the other hand, have far more local talent to draw from. The government can give Dutch companies a head start by increasing the growth and availability of both **national** and **international** talent.

National talent

- 1.** Make use of the capacity of digital education. However, it is crucial to **allow digital educational/coding institutions to make use of available government funds** for retraining schemes. It is also important that students of digital institutions qualify for financial assistance by granting them a special status.

Digital educational institutions can educate people within a few months for jobs where the demand is greatest, now and in the years to come. For instance, software developers, data-analysts and digital marketers. 90% of these students find a job within three months after completing their education. These educational institutions enable more people to find a job in the tech industry by involving under-represented groups. They use modern admission criteria. Existing accreditation criteria do not match the methods used by the new educational institutions. That's why a new set of **applicable criteria** must be developed with digital educators. The French example of Grande Ecole du Numérique

1. Startup employment report 2020.

2. An earlier study (Atomico - State of European Tech 2018) has shown that in the Netherlands, 48% of open job positions for software developers were open for more than 60 days.

(GEN) could be considered for this.³ In the meantime, granting students a special status in the short term can increase the capacity of these educational institutions to contribute to labour mobility. This is needed for the Netherlands to recover.

2. Aim for **top-quality technical studies** (alpha, beta and gamma) at Dutch universities and a **large outflow of national and international talent to tech companies**.

Outstanding education and the prevention of a 'numerus fixus' (limited admission policy) for STEM studies calls for **extra investments in these fields of study**. In addition, an **active recruitment strategy for excellent professors and lecturers** is essential, coupled with the possibility to pay them as is their due.

In order to retain international tech students for the Netherlands, they need to be introduced to the innovative business market in the Netherlands during their studies. To facilitate this, a **traineeship** is crucial. Traineeships should no longer be assigned as work, but as part of their study. In addition, expat centres **should also help tech students find a job in the Netherlands** before the completion of their studies. This must be done before the student returns to his homeland.

International talent

3. Intensify the **strategic approach of attracting and retaining tech talent from abroad**. For both short and long term. Extend the strategic tech talent acquisition to developing economies (characterised by a young population and rising educational standards). Consider countries where international talent may feel less welcome. This must be an integral part of Dutch economic diplomacy, such as trade missions. The Dutch embassies and consulates can, together with the Netherlands Enterprise Agency, play an important role in this. This will give Dutch companies access to new sources of talent.

Increase the scope of collaboration between the Dutch government and prestigious universities, such as Ivy League.

In addition, create the possibility for a **residence permit for an orientation year for employees with specific tech and/or entrepreneurial experience**. This is comparable to the orientation year for highly educated persons. This will allow the Netherlands to distinguish itself in the battle for brains.

3. The French government has initiated Grande Ecole du Numérique (GEN). The aim of this was to reduce youth unemployment in problem neighbourhoods. It has become the label for digital trainers, and some 750 training courses are now associated with this initiative. GEN provides certification and, in many cases, (study) funding to students of these training courses.

Unleash science and data sources

Although scientific knowledge, data and technology may be the keys to the future, **entrepreneurship** is needed to create a societal and economic **impact**. Moreover, the transfer of knowledge, data and technology in Dutch businesses contributes directly to **technological autonomy, innovation strength and flexibility**. This is required to deal with unforeseen circumstances. Together with universities, we aim for more scientific knowledge to be converted into products and services. A great deal of potential remains untapped.

It is, therefore, essential that science is used to its full potential. This can be done by:

4. Maximising the impact of intellectual property of universities by making it available quickly, easily and uniformly to starting-up tech companies. Make the necessary preconditions for starting and growing of startups that result from this part of government's knowledge and innovation agendas.

Create an accessible **infrastructure for fast and AVG-compliant data sharing** between organisations and startups and scale-ups. This is very valuable data which is needed for tomorrow's solutions. For instance, a set of agreements for data sharing, including a trusted third party.



The future of entrepreneurship is partnership

Entrepreneurs (big and small), employees and investors work together towards the future of their businesses and the Netherlands. Contributing to a societal issue through a startup or scale-up is no longer the exception. And it is increasingly often met with success.

A successful ecosystem is characterised by intensive collaboration between entrepreneurs both past and present, investors and talent. Retention of knowledge and capital is also crucial for a successful ecosystem.

The government can facilitate this through the following measures:

5. (Make it attractive for employees to participate in a company. This can be done by offering an **internationally competitive measure for share options**. To do so, a beneficial tax rate is required. It is also important that taxation takes place when the shares are sold.

Research shows that employee participation is the best instrument for binding talent. Moreover, for startups with limited cash, it is often the only way to be able to offer attractive incentives that are compatible with large wealthy (tech) companies. Is a business successful? If so, the money does not go to a few -mostly foreign- investors but to a larger number of people.

6. Make it attractive for **private individuals and investors to invest in startups and scale-ups**. A fiscal incentive is the most suitable instrument for this, given the current pressures on the government budget. We do not need to reinvent the wheel in this case. The EIS and SEIS initiatives in the United Kingdom have proven to be an effective instrument over the years. We can draw from their experiences as a government organisation.

The combination of an attractive incentive for employee participation and venture capital will give an unprecedented impulse to both (maintaining) the quality of the ecosystem and the availability of financial means. This approach has been central to business development in the United States for over thirty years, and has led to the most successful entrepreneurial climate in the world. The United Kingdom has also adopted a similar approach. Let the Netherlands follow their example! What we also need to do is:

7. Ensure that **institutional partners are able to invest in startups and scale-ups through venture capital funding**. Explore, for example, the effective use of guarantee instruments or a co-investment instrument to hedge the risks of institutional investors.

Stimulate investment in tech and high-tech companies requiring a larger capital injection. This is possible through the structural replenishment of the national scale-up fund to strengthen the venture capital market. This will enable Dutch startups and scale-ups to become market leaders. In surrounding countries, billions of euros are released to facilitate this.

8. **Stimulate diversity in the tech sector** thereby allowing the Netherlands to further utilise their economic potential. Diversity in teams can have a positive influence on performance. The government can stimulate diversity in the tech sector by setting up targeted programmes and financing schemes.



The future as a starting point for making policy

Technology and digitisation are continuously present in our daily lives and in the business models of many companies. The government must provide direction for the development and application of these. Knowledge about technological developments requires a broad knowledge base by all Members of Parliament involved in this. All too often, developments in government policy and the development of new business models seem to take place in different worlds. It is time to bring these two worlds together once and for all in the heart of The Hague.

To achieve this, the following is required:

9. A **strategic Chief Technology Officer (CTO) within each ministry**. The CTO functions as leader of the digital transformation. He/she should be integrally involved from the very beginning in the government policy and decision-making process and will work together with external experts on a structural basis. It is furthermore of paramount importance that the CTO has extensive knowledge of technological developments and the marketing thereof. A startup mindset is also essential. This role is not new to top-level ecosystems. Indeed, this role has evolved in several countries. In the United States, for example, into the position of direct advisor to the president, in the United Kingdom to an executive role in Government and in France to state secretary for the digital sector. A noble ambition for the future.
10. **Structural development of knowledge among politicians and government employees regarding technological innovations and a thorough contextual approach in the House of Representatives. The establishment of a Digital Affairs commission can play an important role in this. Facilitate the development of knowledge** on how to set up and develop a business into a global player through people with practical expertise. For example, founders of successful Dutch businesses.

The rate at which technology is developing and its impact on everyone's day to day functioning and all sectors and areas of government policy demands that all policymakers and politicians have up-to-date knowledge. They should have up-to-date information about the latest developments in the tech industry. They should also be aware of the impact of proposed legislation and regulations on the growth of tech businesses. Are policies developed and implemented without sufficient knowledge about the latest technological innovations, solutions and business models?

This can lead to unforeseen barriers for the further development of tech businesses.

But it is not only politicians and government employees who need more knowledge about technology. The mission of KickstartNL calls for curiosity about each other. This is a task for policymakers, but also for startups and scale-ups. Talk to policymakers; invite them to get acquainted with your world. The energy and ideas of startups and scale-ups are contagious, but the same applies to the passion of politicians for the Netherlands. Let us invest in each other. Only then will we be able to understand each other better and give our economy a kick-start.

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