



↑ BRICE LECOUSTEY & JEAN-MICHEL LUDWIG

Working Together to Help Startups Grow in Luxembourg

EY LUXEMBOURG, A LEADING PROFESSIONAL SERVICES FIRM, AND LUXINNOVATION, LUXEMBOURG'S NATIONAL INNOVATION AGENCY, HAVE ANNOUNCED THE SIGNING OF A PUBLIC-PRIVATE PARTNERSHIP TO HELP SUPPORT AND SET UP STARTUPS IN THE GRAND DUCHY. BRICE LECOUSTEY, PARTNER ADVISORY, EY LUXEMBOURG, AND JEAN-MICHEL LUDWIG, HEAD OF STARTUP SUPPORT AND SME PERFORMANCE, LUXINNOVATION, TELL US MORE ABOUT THEIR COLLABORATION AND THEIR COMPLEMENTARY VISIONS FOR LUXEMBOURG'S ECOSYSTEM.



WHY DID YOU DECIDE TO WORK TOGETHER?

B. L. For EY, it started with three thoughts. First of all, we have a real drive to bring together the startups in Luxembourg and provide them with our professional services. When we talk about startups, we are referring to companies that are already present or developing in Luxembourg, or companies we are trying to bring to the country through our network. It was important to formalize this commitment and work with Luxinnovation to develop economic activities around startups.

OUR COLLABORATION IS NOT A ONE-OFF BUT WILL BE MAINTAINED OVER TIME.

We also want to show that governmental bodies and public actors can and must work together to offer a complete service offering to these innovative companies. To achieve this partnership, we exchanged and listened to feedback from the Luxinnovation team to better understand what companies were expecting from us to help them grow in Luxembourg. Our collaboration is not a one-off but will be maintained over time.

EY, along with Luxinnovation, wants to use this partnership to highlight the country's attractiveness and the tools that the ecosystem is putting into place to better serve startups.

J-M. L. On the Luxinnovation side, we first sought to better understand what private actors like EY were doing for startups. From the very beginning, we had discussions that made us realize that there were high value-added services dedicated to the startups – services that were complementary to those we offer. So we naturally decided to set up a win-win-win partnership, for us, for EY and especially for startups.

The second benefit we saw was the ability to capitalize on the deal flow of EY's list of cases and not rely on ours alone. EY has its own sources to find relevant projects and startups, giving us a more comprehensive view and allowing us to, not only capitalize on the attractiveness of the country for startups, but also take targeted actions, nationally and internationally.

WHAT DOES INNOVATION MEAN TO YOU?

B. L. Innovation is all about investing time and providing the right services and expertise to benefit startups that align with Luxembourg's digital and technological strategy and have growth and key development potential.

At EY, this investment happens at two levels.

On one hand, we offer privileged support to help companies set up, establish themselves as a legal entity and operate from Luxembourg. On the other hand, we provide selected startups with support

and advice, for example, on developing a business plan. In this instance, we receive payment based on fundraising success, which requires us to engage fully in the project. In addition to a business plan, we implement a monetization strategy, product development at an international level, etc.

It is essential for us to invest in startups that fit into the national development strategy. Given this ambition, Luxinnovation is a key player that we could not do without. It is vital for us to work together at the right time and in the right place.

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J-M. L. I would add that the companies we target are another essential aspect of the partnership. At Luxinnovation we don't put any barriers or limits on the stages of development we accept. Through its network, EY has the ability to approach both young, high-potential companies and more mature companies. Innovation can come from the idea, from the business model or from the income streams.

AS A SEMI-PUBLIC ORGANIZATION WHOSE STARTUP ACTIVITIES ARE LARGELY SUPPORTED BY THE GOVERNMENT, WE JOIN FORCES WITH PRIVATE-SECTOR PLAYERS AND DON'T SEE THEM AS POTENTIAL COMPETITORS. ON THE CONTRARY, THERE IS STRENGTH IN UNITY.

IS THERE COMPETITION BETWEEN THE PRIVATE AND PUBLIC SECTORS TO CAPTURE THE SUCCESS OF STARTUPS?

B. L. There is real continuity in the national Digital Luxembourg strategy. For the past ten years, the investments and the will to create an ecosystem around digital, computer and technological themes have never lost momentum, quite the contrary. We see this in the ICT Cluster, which has fully gotten behind data protection, cyber security, robotics and even connected objects. The strength of Luxembourg is its ability to carry out long-term policies and make them known. Today, we are able to attract startups whose B2B and B2C activities are sensitive to issues of security or data exchange, for example. We are mainly looking for startups in these areas. A public-private approach is therefore inevitable and beneficial.

J-M. L. Luxembourg's development and diversification strategy is clear, consistent and long-term. If we take the example of the Digital Luxembourg strategy, the country has provided world-class infrastructure while developing research and development activities in ICT at the University of Luxembourg, LIST and other research centers. The objective now is



to capitalize on these investments by supporting companies that will use these skills and abilities to develop and shine internationally. All this coherence in terms of government strategy motivates private partners to come on board. Another example worth mentioning is the public-private partnership that created the Digital Tech Fund, where private partners have come together with the government to invest in startups.

We also see many more companies creating incubators, accelerators and dedicated funds. In Luxembourg, this mutual trust between the private and the public sectors strengthens alliances. As a semi-public organization whose startup activities are largely supported by the government, we join forces with private sector players and don't see them as potential competitors. On the contrary, there is strength in unity."

"TOGETHER." THIS WORD SEEMS TO BE THE GOVERNING PRINCIPLE OF YOUR PARTNERSHIP. WHAT DOES THIS MEAN TO YOU?

B. L. We have set the objectives of this partnership together and it is obvious that we are stronger as we act together when it comes to helping startups grow in Luxembourg. When a startup hears a government speech saying that it is better here than elsewhere, it expects public and private actors to coordinate to meet its needs. We must strengthen the country's positive image and show that institutions have been investing in the digital and technological ecosystem in a coherent and consistent way for years.

J-M. L. Indeed, we can only talk about having an ecosystem when a large number of actors cooperate and everyone finds their place. The strength



WE ARE CURRENTLY TRYING TO ATTRACT A VERY PROMISING STARTUP – SPECIALIZING IN DATA MANAGEMENT AND MONETIZATION – TO LUXEMBOURG BY HIGHLIGHTING OUR ADDED VALUE.

of Luxembourg's ecosystem is the short paths between different decision makers. This proximity makes it possible to take decisions together.

HOW DOES THIS PARTNERSHIP FIT WITHIN THE FRAMEWORK OF THE EYNOVATION PROGRAM?

B. L. Our proven program continues to evolve. We are always investing more and more time in helping develop the daily activities of a number of startups: strategy, meeting with investors, etc. Our compensation is not traditional since it depends on the success of fundraising. It is a significant investment that draws upon the insights of our local company and our international network. Our collaboration with Luxinnovation is, therefore, important because we also want to offer startups these privileged connections.

The EYnovation program has been agile since its inception. Beyond strategic alliances with key players in the market, we are very proud of our agility and rapid response to the needs of startups. We are reviewing the portfolio of startups that we support, as some of them have already benefited from six months of free offerings. These startups have allowed us to refine our services and be able to offer this new type of investment in time, advice and expertise. That's where our strength lies.

J-M. L. At Luxinnovation, we aim to work for startups and SMEs. When we see that private actors package services without adapting to the needs of the market, we know that there will be a gap between supply and demand. That's why we welcomed EY's offer, which is a continuation of the EYnovation program.

WHAT DO YOU EXPECT FROM THIS PARTNERSHIP?

B. L. We want local startups to hold us to our words and startups abroad to come get to know Luxembourg. Partners like us can clearly help them grow.

J-M. L. We already have a pilot program that will be announced shortly. We have also formalized our cooperation in writing. We are currently trying to attract a very promising startup – specializing in data management and monetization – to Luxembourg by highlighting our added value. Luxinnovation will identify all the possible and imaginable avenues in terms of public funding and EY will accompany the startup in realizing its business plan in Luxembourg.

You will be informed of this first success soon! ● ○