



Why start-ups fail in Portugal?

Bernardo Maria Santos Costa de Vasconcelos Peixoto
Nº 152116137

Dissertation submitted in partial fulfilment of the requirements for the degree of MSc in Business
Administration at Católica-Lisbon School of Business & Economics, Fall 2017

Thesis written under the supervision of Cláudia Costa

Abstract

This work aims to understand what Portuguese entrepreneurs demand from incubators and what kind of support are these entities are not currently providing to entrepreneurs. At the same time, it aims to appreciate the initial stage as a major obstacle during the start-up's life path and goals to demystify the complexity that this period comprehends. By doing so, this thesis labels these two analyses as failure causes. And so, this paper suggests that entrepreneurial failure should be scrutinized in order to avoid same errors. In the end, it is found that Portuguese entrepreneurial ecosystem has favourable conditions to exploit the entrepreneurial activity. Portugal possesses the proper infrastructures, the required capital sources and the necessary geographical and climate characteristics able to attract more foreign investors and to sustain the national start-ups headquartered here. However, there's a need to restructure the educational system, to disclosure and to promote the Portuguese market, to join synergies between the government and these non-governmental entities and to coordinate the incubator's work in order to promote a sustainable and bright entrepreneurial future in Portugal.

Keywords: Start-up; Entrepreneurship; Entrepreneurial activity; Failure; and Success.

Resumo

Este estudo sugere um escrutínio ao fracasso empreendedor em prol de evitar os mesmos erros no futuro. Paralelamente, esta tese investiga o suporte das incubadoras junto dos empreendedores e a fase inicial destas pequenas empresas. Adicionalmente, define estas duas análises como motivações para este insucesso. Pretende-se então perceber o que é que os empreendedores Portugueses exigem às incubadoras e que tipo de suporte estas entidades não estão capazes de oferecer. Ainda assim, este estudo define a fase inicial como um problema em si e objetiva desmistificar a complexidade em torno deste período. Por fim, o ecossistema empreendedor Português apresenta condições favoráveis para fomentar a atividade empreendedora. Portugal apresenta boas infraestruturas, as necessárias fontes de capital e as características geográficas e meteorológicas capazes de atrair investidores estrangeiros e manter as start-ups portuguesas sedeadas no seu país de origem. Contudo, é exigida uma reestruturação do sistema educacional e coordenação no trabalho das incubadoras para que se consiga construir um futuro empreendedor sustentável.

Palavras-chave: Start-up; Empreendedorismo; Atividade empreendedora; Fracasso; e Sucesso.

Acknowledgments

The primary motivation for the choice of the topic “The Portuguese Entrepreneurial Ecosystem: Why start-ups fail in Portugal?” is the desire to complement my academic specialization with a theoretical framework. At the same time, and as a Portuguese citizen, I realized the recent trend regarding entrepreneurial activity in my country. Today more than ever, being an entrepreneur is in vogue. But it should be considered as a way of life. By doing so I am grateful for the opportunity to study more in depth the current subject.

First and foremost, I would like to thank Católica-Lisbon that provided me the best insights for this thesis. Further, I am thankful to my supervisor professor Cláudia Costa for the frequent meetings, supervision, monitoring and support.

Nevertheless, I am very thankful to Dr. Nuno Ferreira Pires, Dr.. Miguel Figueiredo, Dr. Jorge Oliveira, Prof. Dr. Jorge Conde and to one of my oldest friends Francisco Amaral. Without the interviews this study would not be conclusive, and so I owe them a big thank you. They took time from their demanding daily routine to support me discovering curious features regarding the Portuguese entrepreneurial activity.

Lastly I would like to thank my family and friends for the daily patient and for the continuous encouragement.

Table of Contents

1. Introduction	1
2. Literature Review.....	5
i. The importance of entrepreneurship in the Portuguese society	6
ii. Start-up's definition and characteristics	8
iii. Business Incubators definition and characteristics.....	9
iv. Start-up success and failure.....	11
v. The relation between incubators and start-ups.....	12
3. Methodology	15
i. Research Methodology.....	15
ii. Data Collection.....	15
iii. Sample Profile	16
4. Analysis	19
i. Data coding	19
5. Results	21
i. Entrepreneurship as a career	21
ii. Necessity driven entrepreneurship	21
iii. Culture.....	22
iv. International Scope.....	22
v. Non-governmental entities – Incubators	23
vi. Early-stage of entrepreneurial activity	24
6. Conclusions	27
i. Managerial implications.....	28
ii. Academic implications.....	30
7. Limitations	31
8. References	33
9. Appendix	39
iv. 2016 Amway Global Entrepreneurship Report.....	39
v. Interviews.....	41

1. Introduction

Recently, start-ups have received much attention in the Portuguese's economic scene (European Start-up Monitor, 2016). Start-ups became an important tool for the Portuguese economy and society. In 2016, the European Commission has ranked Portugal as a moderate innovator in the European Innovation Scoreboard 2016, showing that Portugal is continuously betting in the entrepreneurial ecosystem development (EY Portugal, 2016). Moreover, Lisbon hosted for the second time (2016 and 2017) the greatest technology and innovation conference – the Web Summit – and was named in 2015 as the European city of entrepreneurship by the European Entrepreneurship Region (EY Portugal, 2016).

Not only worldwide is entrepreneurship an engine of growth but also for Portugal there is plenty of evidence that entrepreneurship contributes to the economic development. Firstly, start-ups renew the corporate and business network. Nowadays there are more young enterprises, with less than five years, rather than mature ones – 35% against 23% (Informa, 2016). This renovation also contributes to gender leadership diversity. In 32% of the Portuguese start-ups leadership is conducted by a woman (Informa, 2016). Secondly, start-ups are a crucial employment source in Portugal. Startups are responsible for 18% of the employment created in the country (2017) (Informa, 2016). Furthermore, Portuguese start-ups are an indispensable foreign investment magnet. Nowadays there are 434 startups in Portugal held by foreign capital, representing almost 7% of Portuguese companies owned by non-Portuguese investors (Informa, 2016).

Academics point out several economic and societal benefits resulting from this activity. Firstly, it allowed small enterprises to explore new markets abroad (Haro, 2013). Secondly, start-ups use resources in a more rational way as new business are resources deprived by nature (Haro, 2013). Moreover, entrepreneurs are representatives of the economy's productivity improvement (Kritikos, 2014). Namely, entrepreneurial activity accelerates structural transformation by substituting traditional and outmoded enterprises (Kritikos, 2014). Entrepreneurial activity can also take place inside companies promoting innovation and productivity which in turn will generate economic growth (Carree and Thurik, 2003). Moreover, entrepreneurs increase competition. By doing so, customers will benefit from the consequent lower prices and greater product diversity. Still, new business creation pushes established firms to progress their performance (Kritikos, 2014).

Despite the importance of startups, they are complex and struggle to achieve success (Beaver and Jennings, 1995). Complex because they are enterprises recently founded that require a wide range of support and assistance (Beaver and Jennings, 1995), as evidenced by the Portuguese, the British case. Every year around 30,000 new start-ups are launched in Portugal (Caixa Geral de Depósitos, 2013), but history shows that less than 50% of the start-ups are still operating after the third year (Caixa Geral de Depósitos, 2013), and 40% after the fifth year (Caixa Geral de Depósitos, 2013). United Kingdom also suffers from this struggle, presenting a start-up failure rate of 46,5% in 2017 (Financial Times, 2017). And so, a relevant point to study is to understand why start-ups fail in Portugal. This is an important topic to analyse once the entrepreneurial activity has been placed as a crucial asset for the national economy. Not only in Portugal but worldwide, entrepreneurial activity plays an important economic engine.

Since entrepreneurship is vital for the Portuguese economy, it should be handled with care and use the best management practices in order to maximize the chances of success (Caixa Geral de Depósitos, 2013). First, start-ups by definition are extremely risky (Greiner, 1972). As young firms, they fail to adapt to rigid and stringent economic environments like crisis (Greiner, 1972). Start-ups fail to adjust to new practices and to abandon the old ones as the general business environment changes. A critical task for management is to find new set of organizational methods when the current ones are not succeeding (Greiner 1972). Moreover, due to their recently establishment, they require different growth mechanisms – financial maintenance, human capital or managerial experience – that in the majority of the times are not able to show up simultaneously (Greiner, 1972). This implies that entrepreneurial activity requires proper mechanisms to support start-up's path to success. Those mechanisms contribute to a sustainable entrepreneurial activity. Isenberg (2010) defined them as: Policy, Human Capital, Finance and Support. When correctly developed, those mechanisms accelerate enterprise creation and economic progression (Isenberg, 2010). Nevertheless, they do not work isolated. In the authors' words, they “combine in complex ways” but when isolated, “each is inductive to entrepreneurship but insufficient to sustain it”. Moreover, Isenberg (2011) theorized that entrepreneurship would only be boosted as long as these different mechanisms were handled all together. Bygrave (1998) believed that entrepreneurship is “embedded in a massive structure” such that in order to be sustainable, requires different support

mechanisms. First, the regulatory environment plays a major role for successful entrepreneurship (Mendéz Picazo et al., 2012). Governmental institutions disseminate entrepreneurship and entrepreneurial-oriented regulations. Research argues for a number of procedure policies are needed to create an enterprise (Djankov et al., 2002), Isenberg, 2010): decriminalizing bankruptcy, shielding shareholders from creditors and allowing entrepreneurs to quickly start over. At the same time, creating and liberalizing capital markets is also conducive of fostering entrepreneurial activity. At a fiscal level, simplified tax regimes and strong auditing and collection accelerated entrepreneurship (Isenberg, 2010). Secondly, knowledge is a development catalyst for start-ups. And so, universities develop the proper managerial and business background that start-ups require to thrive (Arruda de Oliveira et al. 2013). Moreover, universities are encouraging students to start their own businesses or to join new ventures (Wolfe, 2005). Furthermore, start-ups also require capital in order to operate properly (Isenberg, 2010). The capital need within start-ups is, sometimes, the major barrier faced by entrepreneurs. Private institutions such as angel investors or venture capitalists are imperative for start-up growth. They perform as key support players, assisting in monetary dilemmas.

Lastly, there are non-governmental institutions that shelter young enterprises allowing them to strengthen their position in the market (Cohen, 2013): incubators and accelerators. These institutions have become crucial for the start-up success (Bruneel et al., 2011). Particularly technology start-ups, lack managerial background, business experience and skills to overcome obstacles place incubators as a critical asset for the start-up's success (Bruneel et al., 2011)¹. In developed economies such as the Portuguese, incubators have become popular for the start-up's mentorship and guidance (Bruneel et al., 2011). Research shows that accelerators and incubators can be equivalent entities once accelerators are seen as the new generation incubation model (Pauwels et al., 2015). As such, we will define incubators as both incubators and accelerators.

In the US, business incubators grew rapidly in numbers, from less than 100 in 1980 to almost 1000 in 2000 (European Commission, 2002). At this time, there were also more than 1000 around Europe (European Commission, 2002). The latest figures for Portugal from the European Commission indicate 70 incubators in 2014 up from 23 in 2002 (European Commission, 2002). This figure includes different types of incubators operating in Portugal – non-profit, technologic,

¹ For this thesis purpose, we will define incubators and accelerators as being equal entities.

societal science parks incubators – with new incubators being created every year (Caetano, 2011). Portugal has already more than 2000 incubated start-ups (2017) but there is not a concrete number of incubators operating in Portugal once every year and during each year new incubators are entering in the market (SEP, 2017). And this plays an important insight. The great increase of such infrastructures in Portugal indicates that they are an important asset for the Portuguese economic development strategy (Ratinho & Henriques, 2010).

This paper's motivation is to understand the role of incubators is assisting start-ups to grow and develop. A question still open to debate is the evidence or impact that these institutions really have on start-ups. Namely, to which extent are incubators able to promote job creation (Massey et al., 1992; Phan et al., 2005). Some studies suggest that incubators are not linked to the firm performance. Some authors even argue that incubators have the opposite effect leading start-ups to poorer accomplishments (Peña, 2004). Sometimes, start-ups that are incubated have poorer results rather than other start-ups that are not receiving that incubator assistance (Peña, 2004). Moreover, it is not clear the dynamic nature of incubators (Phan et. al, 2005).

The incubation process in Portugal experiencing a mismatch between the start-ups' needs and the services provided by the incubators or even the absence of evaluation criteria when hosting new start-ups (Ratinho and Henriques, 2010). Some Portuguese incubators support start-ups without any kind of business model. The absence of a business model makes start-ups to be unsustainable, failing in the future (Balace, 2017). The objective of this study is to analyse the Portuguese context and our findings will allow to understand the role played by incubators in supporting the start-ups and how can the relationship between incubators and start-ups be strengthen. This study focus on the business incubators' performance as a necessary condition for the success or failure of the start-ups, evaluating the relationship between start-ups and incubators in Portugal and arguing that incubators are sometimes responsible for the start-ups' failure in our country. Moreover, given the importance and complexity of the early stage in the start-up's path, this paper fits its investigation on that period. This consideration is explained below in the literature review chapter.

2. Literature Review

Venkataraman (Shane & Venkataraman, 2000) defined entrepreneurship as a “scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited (Shane & Venkataraman, 2000). Despite this broad definition, Joseph Schumpeter already had presented a a more concise concept of Entrepreneurship. In the authors’ words, “[t]he carrying out of new combinations we call ‘enterprise’; the individual whose function it is to carry the out we call ‘entrepreneurs’” (Schumpeter, 1928 cited in Hébert & Link, 1989). Furthermore, entrepreneurship is already perceived as a necessary condition for economic growth in contemporary economies (André van Stel, 2006). Vvan Praag and Versloot, (2007) explain, that entrepreneurship influences on the economy of a country, as it shows especially in the areas of employment creation, productivity growth and high quality innovations. Hart (2003) argues, that the level and quality of entrepreneurship make a difference in the economic vitality of communities, regions, industries, and the nation. Overall, there is mostly consent in literature about the positive effects of entrepreneurship (Bruton et al., 2013). According to Audretsch, “Entrepreneurship has become the engine of economic and social development throughout the world” (Audretsch, 2003). Indeed, such recognition has exploited its integration in the European Commission agenda. “The challenge for the European Union is to identify the key factors for building a climate in which entrepreneurial initiative and business activities can thrive. Policy measures should seek to boost the Union’s levels of entrepreneurship, adopting the most appropriate approach for producing more entrepreneurs and for getting more firms to grow” (European Commission, 2003). In the end, Entrepreneurship is a multi-dimensional phenomenon that can occur in different contexts, economic or other, and in all kind of organizations. Entrepreneurship is a mind-set that covers the individual capacity in pursuing a business opportunity (European Commission, 2003).

i. The importance of entrepreneurship in the Portuguese society

The importance of entrepreneurship was also recognized in the Portuguese context. To understand entrepreneurial importance in Portugal we followed the Amway Global Entrepreneurship Report from 2016 (AGER, 2016). The AGER annual report aims to map how people worldwide perceive Entrepreneurship interviewing more than 50 000 respondents among 45 countries. Globally, people tend to have a positive attitude towards Entrepreneurship. 77% of the respondents show a positive outlook regarding Entrepreneurship. Surprisingly, the European Union represents the lowest percentage, 74%, among the other three regions (Asia, Latin America and North America). When confronted with this question, Portuguese respondents positioned their country in the bottom top with only 67% of positive attitude. When asked about the possibility of starting a business, the Portuguese vision goes poorer. Only less than 40% (36%) thought this could be a reality. Nevertheless, is it important to analyse the reasons beyond starting up a business. Worldwide, there is a clear desire of Independence (50%) and Self-fulfilment (47%) when people think about starting a business. Portugal seems to follow this path. “Being the superior” and the “possibility to realize own ideas” were ranked as the major motivators when deciding to lead a venture, with 42% and 51% respectively. However, there is an additional topping for the Portuguese. 35% of the survey participants state that “start a business is more a necessity rather than a wish”. Indicating a strong presence of necessity driven entrepreneurships (Acs, 2006) in contrast to the opportunity driven entrepreneurship postulated by Shane and Venkataraman (2000).

The “need to return to job market” and an “unemployment elimination” placed as parallel desires. When confronted with their individual entrepreneurial outlook, the major global applicants (56%) consider starting a business as a desirable (*desire*) career opportunity. At the same time, approximately 50% believe possessing the required skills and resources (*feasibility*) to start a business; and they are strictly convicted with their individual motivation, arguing that neither friends nor family could dissuade their enthusiasm (*stability*).

When ranking all the countries regarding their entrepreneurial spirit, Portugal conquers the 46th position. This is a ranking that evaluates three dimensions (desire, feasibility and stability), Portuguese voters considered *stability* as the more resilient topic. Followed by *desire* and *feasibility*, respectively, but not so distant between them. (Stability - 54%, Desire - 45% and Feasibility - 39%). The employment forecast was the next topic under analysis. The worldwide forecast for the next five years is a positive tendency regarding self-employment. The majority of contestants believe that self-employment will be a more likely choice within the next five years. Only one fifth consider that in the future self-employment will be less expected than today. Our country seems to follow the reverse route. One third suggests a reduction in self-employment in a recent upcoming. At least 25% proposes that this shrinkage will not occur. The situation in the next five years will be at least identical as today. The residual 17% preferred not to answer. Finally, customers also measured an additional matter of substance. When asked how would they feel by acquiring their own clients, more than half of overall participants did not even consider it as drawback. In fact, they would feel comfortable by doing so. In the other hand, 37% would feel uncomfortable with this kind of obligation. Portugal suggests this same charter. This mind set is a crucial engine for start-ups once it shows how independent, objective and self-determining these new business segments are nowadays. This study allowed us to better characterize the Portuguese entrepreneurial mind-set and to compare with other countries. Other countries that are frequently associated with an equivalent economic and financial crisis as the one experienced in Portugal perceive entrepreneurship less positive rather than our country – Spain 62%, Italy 72% and Greece 64%. The overall outcome shows that Portugal is on the right track. Portugal has already more than 500 start-ups and more than 70 incubators (AGER, 2016). This shows that Portugal do not suffer a lack of proper infrastructures to upkeep the entrepreneurial activity. However, we can not conclude how well the incubators work in Portugal and how well they support start-ups' struggles. One of the major recommendations from the AGER report is the need to develop the experienced incubators through out the Europe, including Portugal. And so, the report suggests the importance of having experienced incubators supporting the start-ups, arguing that they provide access to more business opportunities rather than the new established ones (AGER, 2016).

ii. Start-up's definition and characteristics

Start-up is a venture or a new business organization in the early stages of its development intended to pursue a sustainable business model (Fonseca et al., 2001). Start-ups perform a vivacious, dynamic and vibrant responsibility in every country's economy, an engine of more and more employment, a key player in innovation development and a physical place where good ideas are materialized and become economically achievable (Craig, Jackson and Thomson, 2005). Moreover, the weight of start-ups has been recognized worldwide, which led the U.S. Government to foment better infrastructures, more resources and healthier environments to allow start-ups succeed in its economy. "President Obama is committed to ensuring that small businesses continue to receive the tools and resources they need to address the challenges they face. These initiatives offer support to small businesses so they are able to bring the power of their ideas to the marketplace in ways that can catalyse and transform our economy, creating jobs through new innovations in products and services" (National Economic Council, 2012).

Start-up's lifecycle compounds different stages. Over the years, researchers developed different models for analysing business stages. Moreover, there is lack of consensus among scholars regarding conceptualization of the different stages (Avnimelech & Teubal, 2006; OECD, 2003). This study will adopt the Neil Churchill and Virginia Lewis framework for start-up's growth evaluation. This framework involves five distinctive stages – Existence (early-stage), Survival, Success, Take-off and Resource maturity – respectively (Churchill and Lewis, 1983). The very early stage, Existence, is characterized by a conceptual phase whereas start-ups are trying to become a viable and sustainable business, trying to execute their ideas (Churchill and Lewis, 1983). During this period, start-ups need to evaluate how many customers do they have and where are they located and if they have enough monetary resources to cover the initial cash demands (Churchill and Lewis, 1983).

Early-stage becomes an interesting field of investigation once it differs from the others due to its lack of tangible and intangible resources. During this period, firm's improvement came from the entrepreneur's intelligence and know-how (Roberts, 1990). This is the most critical stage to analyse. Studies show 60% of start-ups fail during the first five years (Nobel, 2002). Small enterprises are trying to achieve their potential, demanding sources of external capital (Bachher and Guild, 1996) but a great slice of small firms are unable to obtain this investment which,

consequently, prevents them from reaching the next stage (Sharwood, 1989). The complexity around the start-up early-stage should be protected by those supportive mechanisms presented above - Policy, Human Capital, Finance and Support (Isenberg, 2010). Due to its importance we analyse the initial period of the start-up's life path.

iii. Business Incubators definition and characteristics

An incubator is a “shared office space facility that seeks to provide its incubatees with a strategic, value-adding intervention system of monitoring and business assistance” (Hackett and Dilts, 2004). The incubator phenomenon started in the US in the 1950s (Adkins, 2002). In the late 1980s this concept was already worldwide spread (EC, 2002). Physical space was the major service provided by the incubators (Barrow, 2001; Lalkaka and Bishop, 1996). Incubators give young enterprises a space to rent where they provide shared office support such as telephone receptionists, secretaries, office services and equipment such as photocopiers, technology support services or financing assistance (Ratinho and Henriques, 2010). Incubators promote inter-connection among entrepreneurs, allowing other people who are in the same situation of starting their own businesses to share and discuss ideas (Ratinho and Henriques, 2010). Over time, incubators develop their value proposition and improved their services to the incubatees (Ratinho & Henriques, 2010). Nowadays, incubators provide coaching (Bergek and Norrman, 2008; Peters et al. 2004), access to a wide network of contacts and professional services (Bøllingtoft and Ulhøi, 2005; Chan and Lau, 2005; Hackett and Dilts, 2004; McAdam and McAdam, 2008; Nowak and Grantham, 2000), training (Aerts et al., 2007; Mian, 1997), and virtual support (Barrow, 2001; Carayannis and von Zedtwitz, 2005; Duraó et al., 2005; Nowak and Grantham, 2000). Recently, they promote inter-connection among entrepreneurs, allowing other people who are in the same situation of starting their own businesses to share and discuss their struggles (Ratinho and Henriques, 2010).

Table 1 provides a chronological view of the definitions (Plosila and Allen, 1985; Allen and Rahman, 1985; Albert, 1986; Smilor and Gill, 1986; Allen and Bazan, 1990; Allen and McCluskey, 1990; Hackett and Dilts, 2004; Hughes et al., 2007; Eshun, 2009; UK Business Incubation, 2009).

Author(s)	Definition
Plosila and Allen (1985)	“A small business incubator is a facility which promotes the early stage development of a for-profit enterprise”
Allen and Raham (1985)	“A small business incubator is a facility that aids the early-stage growth of companies by providing rental space, shared office services, and business consulting assistance”
Albert (1986)	“An enterprise incubator is a collective and temporary place for accommodating companies which offer space, assistance and services suited to the needs of companies launched or recently founded”
Smilor and Gill (1986)	“The business incubator seeks to effectively link talent, technology, capital, and know-how in order to leverage entrepreneurial talent and to accelerate the development of new companies”
Allen and Bazan (1990)	“An incubator is a network or organization providing skills, knowledge and motivation, real estate experience, provision of business and shared services”
Allen and McCluskey (1990)	“An incubator is a facility that provides affordable space, shared office services and business development assistance in an environment conducive to new venture creation, survival and early stage growth”
Hackett and Dilts (2004)	“A business incubator is a shared office-space facility that seeks to provide its incubatees with a strategic value-adding intervention system of monitoring and business assistance”
Hughes, Ireland and Morgan (2007)	“A business incubator is a facility that houses young, small firms to help them develop quickly into competitive business”
Eshun (2009)	“A business incubator is an environment formally designed to stimulate the growth and development of new and early stage firms by improving their opportunities for the acquisition of resources aimed at facilitating the development and commercialization of new products, new technologies and new business models. Business incubation is also a social and managerial process aimed at supporting the development and commercialization of new products, new technologies and new business models”
UK Business incubation (2009)	“Business incubation is a unique and highly flexible combination of business development processes, infrastructure and people designed to nurture new and small businesses by supporting them through the early stages of development and change”

Table 1 – Start-up’s definition

iv. Start-up success and failure

How can we measure success and failure among start-ups? Success and Performance are two interrelated concepts that have been described as synonyms and have been extensively used in research of entrepreneurship as equivalent concepts (Reijonen and Komppula, 2007, success can be described as "generating an effective firm in the long term" (Bouchikhi, 1993), which implies that Entrepreneurial Success is no longer only the ability of a company has to continue operate and survive in the market (Simpson et al.,2004). Start-ups need to demonstrate ability to meet its stakeholders needs and requirements (Brockner et al., 2004). In the end, entrepreneurial success is composed by financial and non-financial measures. The first are the organizational effectiveness main focus and suggest the accomplishment of enterprise economic goals (Murphy et al., 1996; Reijonen and Komppula, 2007; Venkatraman and Ramanujam, 1986). The latter are non-financial indicators that work as operational success factors (Reijonen and Komppula, 2007; Venkatraman and Ramanujam,1986). Success is a wide concept and it's also labelled as a subjective idea. Managers have their individual insight of what success is (Reijonen and Komppula, 2007). A more traditional director would evaluate success under quantitative dimensions, as financial measurements; whereas a more entrepreneurial one would focus on qualitative procedures (e.g. customer's satisfaction or be-on-time planning and scheduling). The complexity around the success determination has already been studied in previous entrepreneurial researches (Caron and Hofer, 2006). The main conclusion states that despite this definition dilemma, managers should set their own assessment of success, consistent with the firms' objectives and characteristics and must be able to set an effective performance monitoring framework (Caron and Hofer, 2006).

On the other hand, Failure is "the fact of someone or something not succeeding" (Cambridge Advanced Learner's Dictionary & Thesaurus, 2017). In the start-up's context, there is no concrete definition for their failure. We exemplify this struggle with one author's definition regarding failure. Altman (1983), developed a distinctive notion of business failure. Altman suggests that failure "occurs when the realized return on investment capital is significantly and continually below prevailing rates on similar investments" (Altman, 1983). In the start-ups context, they may still operate even when they do not match the Altman's condition. They continue to operate even if their investment is higher than the return of it. Considering the start-up environment, limitations are present in every failure enlightenment and due to this, a more pluralistic perception of failure

is preferred (Jennings and Beaver, 1997). And so, every failure definition should be considered valid and all of them contribute for a more truthful and correct failure interpretation

Failure causes should be also scrutinized. There are some important insights able to explain why small firms fail. Firstly, strategic management inertia tends to affect most of the small firms (Foley and Green, 1989; Wickham, 2001). The market changes and entrepreneurs fail to realize them opening a gap between the market and the venture offer (Foley and Green, 1989; Wickham, 2001); Secondly, start-ups are sometimes created as an anxious comeback to employment. Not only this is an incorrect initial outlook, but also an obvious cause for start-up's closure; Nevertheless, poor timing, bad of luck, inadequate advice and incompetent training also play a role in the business failure. These non-personal variables also have the required muscle to lead companies not to thrive. However, today more than ever, the business environment dynamics address little importance to these factors (John Wiley, 2003); Lastly, researchers also argued the small firm's powerlessness in adapting to a series of crises triggered by business growth can lead them to failure. Indeed, the principal components in failure prevention must be the ability to adapt to new situations and the entrepreneur managerial proficiency (Jennings and Beaver, 1997; Gray, 1998; Thomson and Gray, 1999).

v. The relation between incubators and start-ups

Literature suggests several important milestones helping to strengthen the relationship among startups and incubators. Researchers have pointed out that the tenant screening process is an important component of the incubation process (Aerts et al., 2007). Aerts (2007) has shown a positive correlation between the start-up survival rate and a deeper screening profile of what. This crucial screening can compound different topics that will make the start-up evaluation much more accurate. Incubators should scrutinize the potential market opportunity of the start-up, should evaluate the management team regarding their passionate, open-minded and their educational background, should disclosure the start-up key differentiating advantages and should assess the sustainability and feasibility of the start-up plan (Aerts 2007). This process would allow incubators to follow a robust support structure and to fulfil the start-ups' requirements.

And so, this paper contributes to the literature on business incubation and entrepreneurial activity. Moreover, it provides critical it offers a credible perspective for better understanding how incubators should support the start-ups' daily issues, enabling them to succeed.

3. Methodology

i. Research Methodology

Within the present topic of investigation, quantitative method would not be able to disclose which reasons were behind start-ups closure once these are not quantitatively measurable. On the other hand, qualitative study can help to identify the unobserved patterns and to promote a deeper and more personal investigation. We conducted a qualitative research interviews in this study. This method was particularly effective for this paper once all the interviewees pursued in-depth each question. By doing so, these testimonials are presented as the primary supportive data and will upkeep this dissertation's conclusions. Last but not the least, the interview's objective is also to promote a three-sixty entrepreneurial point of view. So, it became mandatory to interview different experienced personalities and entities in the field.

This study follows a Thematic Analysis to analyse the data because there was no defined framework to fit the data into a pre-existing coding frame. Braun and Clarke (2006) introduced this process that aims to identify, analyse and report patterns from the obtained information (Braun and Clarke, 2006). This analysis focus on patterns that can be identified according to two ways: in an inductive or "bottom up" way, or in a deductive or "top down" way (Braun and Clarke, 2006). For this study purpose, we adopted the inductive method once all the identified themes are strongly linked to the data themselves (Patton, 1990). By doing so it was a data-driven thematic.

ii. Data Collection

The data collection must be in harmony with the research methodology in order to answer successfully to the research questions. So, data collection followed a well defined and structured route, divided in two sections.

Under a descriptive approach, this thesis will be written below a theoretical and qualitative outlook. This qualitative process was developed through in-depth interviews. These interviews allowed to control the line of questioning and revealed historical information to discover complexities that were beyond the scope of quantitative approaches (Creswell, 2014; Gillham, 2000). Moreover, these interviews have gone through a conducting wire and they succeeded in achieving the main reasons behind entrepreneurial failure in Portugal. These interviews were all

conducted in their professional place. Before each interview it was asked if the interview could be recorded and, afterwards, if it could be published as an appendix note in the end of this thesis. All of the informants allowed recording. At the same time, all of them did not oppose to appoint their names as interviewees in this report, which means that anonymity was not required in this thesis. Nevertheless, discretion and diplomacy were always present during all the interviews. Like all researches, our approach depends on a concrete research question. And so, to better judge the research question, the interviews were conducted in order to obtain credible and real-time insights that can collaborate to a proper conclusion regarding the start-up failure in Portugal.

iii. Sample Profile

The unit of analysis of the current topic is individuals. We successfully appointed six interviews with six distinctive interviewees. Firstly, interviewed a business director with a vast experience in the business world. I appointed Nuno Ferreira Pires as the first interviewee. I met Nuno during an academic seminar at Católica and immediately afterwards realized that he could be a crucial participant as an interviewee. And it was. Nuno's experience in different companies such as Procter & Gamble, MTV Networks, Sumol + Compal and as current Sport TV CEO contributed for this thesis with his top hierarchical background. And so, Nuno was interviewed as a company CEO. Moreover, his international experience was a plus once it allowed us to compare the Portuguese entrepreneurial activity with other countries. Secondly, I successfully schedule a meeting with Miguel Figueiredo. He was interviewed as a start-up mentor and specialist on what. Miguel academic experience allowed to obtain a coaching to help start-ups with their struggles. Miguel has managed a very diversified career that moved from working in big national and multinational companies to creating his own company, Excentric, a renowned digital marketing agency, that later merged with Grey Network. Through coaching, mentoring and keynote speaking, Miguel has become specialised in leadership, innovation and organisational behaviour. His experience was imperative once Miguel is one of the more credible specialists around entrepreneurship in Portugal and knows, better than anyone, the national reality around start-ups. In order to align research questions' outcomes, it was important to record a point of view from a supportive and non-governmental entity. Once this papers focuses on the relationship between incubators and start-ups, we interviewed a Portuguese incubator. Meanwhile, I decided to seek an interview with a non Lisbon based incubator. Mainly because a decentralized point of view could be a plus for this

purpose. Therefore, IPC – Instituto Politécnico de Coimbra - was the chosen one. IPC has been an important entrepreneurial engine, fostering new projects to come up and supporting the experienced ones. Prof. Dr. Jorge Conde, the current IPC President was a precious asset and allowed to testify his personal experience regarding the entrepreneurial failure in Portugal. I decided to chose this entity because IPC monitors different entities that have a crucial role play in the entrepreneurial enlargement in our country which in fact could empower another interview. iNOPOL – Academia de Empreendedorismo do Politécnico de Coimbra is a creative spot headquartered in Coimbra, searching for innovative ideas and teams, students, teachers and researchers linked to the Politécnico de Coimbra (IPC) with solutions and projects for organizations and companies. Jorge Oliveira, an iNOPOL member, disclosed some important mysteries allowing me to discover important insights regarding the early stages' obstacles for start-ups and also some motivations for weak relationships between entrepreneurs and incubators. Lastly, I interviewed an entrepreneur who also is an experienced start mentor. Francisco Amaral was a crucial contribution for this study once he knows the struggles suffered from start-ups in Portugal. A natural researcher and enthusiast in this field, Francisco has already developed different entrepreneurial projects. Francisco integrated the CoBid panel, the winning team of the Nova Idea Competition 2016 – an entrepreneurial competition that aims to reward pioneering ideas. More recently, Francisco was one of the Limpa-m'isto start-up mentors – a recent enterprise that provides flexible house cleaning services.

4. Analysis

The data analysis for this study was conducted over numerous stages, which are described below. Initially, all the interviews were transcribed. All the interviews are available on the last chapter of this study (Appendix ii – Interviews). Secondly, the transcribed interviews have been carefully read several times in order to become more familiarized with all the dataset (Braun and Clarke, 2006). Third, the data was coded and organized in distinctive clusters and then we started to identify themes throughout the interviews. This was a crucial step in order to better understand the transmitted ideas by the interviewees. Then, all the themes were reviewed to see if, in fact, we could address new ones. We came up with four themes. Namely, “Recent trend towards entrepreneurship in Portugal”, “International scope”, “Non-governmental entities” and “Early-stage of entrepreneurial activity”. Lastly, all of these themes were sensibly reviewed in order to provide evidence of the start-up failure in Portugal as a phenomenon and to credibly answer to the research question.

i. Data coding

The interviews were conducted regarding six different domains. Participants were asked regarding “Entrepreneurship as a career”, “Necessity driven entrepreneurship”, “Culture”, “The international scope”, “Non-governmental entities in Portugal - Incubators” and “Early-stage of the entrepreneurial activity”. All of these six domains contributed positively to answer the research question. Despite being distinctive fields of investigation, they all perform valuable insights regarding the start-up failure in Portugal. The fifth theme identified “Non-governmental entities in Portugal - Incubators” also needed an internal Thematic Analysis. And so, the relationship between start-ups and incubators was discussed with all the six interviewees. For this purpose, we firstly structured the results from this domain into different subthemes. After a careful interpretation, we decided to structure this current field into two interrelated subthemes. Firstly, we will present the context of business incubation in Portugal. We will extract some results from the interviews conducted regarding the actual scenario of business incubation in the Portuguese society. Secondly, we will address the principal struggles that Portuguese incubators suffer nowadays. Once again we decided to adopt this method of analysis in order to better understand individually the results.

5. Results

The current chapter presents the results that emerged from the Thematic Analysis structured from the themes previously defined. This chapter also discusses the results presented from the interviews.

i. Entrepreneurship as a career

The first theme introduced concerns the actual scenario regarding the entrepreneurship in Portugal. The results from the interviews point out the importance of entrepreneurship and the recent entrepreneurial activity increase in the Portuguese context and they seem to be aligned with the literature presented (European Start-up Monitor, 2016). This recent increase towards entrepreneurship in Portugal is no longer a trend. “It’s much more than a movement”, was how the CEO participant described it. It’s a reality and Portuguese people today do realize how important can be an entrepreneurial career. Moreover, our analysis concludes that the start-up creation is well established in the Portuguese society. In the words of the CEO, “today people do realize that it is easy, eventually faster than what they thought, and very rewarding to bet in this kind of lives”. We find evidence that “it’s a new way society transforms itself to be organized. Is not a fashion movement and it will not end anymore”. By doing so, the results also suggest that entrepreneurship is changing the way Portuguese citizens perceive the professional career.

ii. Necessity driven entrepreneurship

During this study we tried to disclose the main causes that contributed for the increase of entrepreneurial activity in Portugal. Our analysis suggests that the touristic rumble was one of main engines responsible for this recent movement towards entrepreneurship in Portugal. The start-up mentor exemplified it with the Web Summit that Portugal hosted in 2016 and 2017. In his words, this phenomenon brought the Portugal into the spotlight. And due to this, Portugal became more and more perceived “as a great place to work and to live”, the start-up mentor added. The other, also presented by the start-up mentor, was the initiatives developed by the Start-up Portugal that forced this sector to grow. Our analysis also concludes that the increase of the entrepreneurial activity in Portugal came from the lack of employment opportunities. The head of the incubator association stated that Portuguese citizens tried to create their own job once they were not able to find any other opportunity. This last insight follows the same path as the literature we presented

regarding the Amway Global Entrepreneurship Report from 2016 (AGER, 2016). The AGER report (AGER, 2016) presented that the “need to return to job market” is one of the major contributions for the increase in the entrepreneurial activity. The head of the incubator association defends that in periods of low employment opportunities, people will consider to create and manage their own enterprise. And so, our investigation suggests that the entrepreneurial activity in Portugal has been in the spotlight from some years ago and that it should taking into consideration due to the societal and economic transformations that this phenomenon has been exploited in the Portuguese society.

iii. Culture

Nevertheless, one of the important results under this theme is the strong linkage between the entrepreneurial activity and the risk-avoidance culture in the Portuguese society. The conducted interviews point out that the fear of failure in Portugal is the more credible example of this risk-avoidance culture. The start-up mentor stated that Portuguese perceive professional failure as a personal failure and so, “if I fail in my job, I fail as a person”. In fact, avoiding failure gets Portuguese ventures in a vicious cycle of never succeeding, once this sense of fear promotes delayed decisions and poor risk judgements. This result follows the argument that culture could be one of the main causes for start-up’s failure. In the Portuguese context, it seems clear that start-ups suffer from a managerial inertia, resulting from the fear of failure (Foley and Green, 1989; Wickham, 2001).

iv. International Scope

One of the major results from this study common to all respondents was the lack of scale in Portugal. And in fact, this result was addressed as a big cause for the failure of start-ups in Portugal. And so, this current theme aims to disclose one important matter – how should incubators help start-ups to deal with this concern. The entrepreneur indicates that “we are in a bubble that we call Portugal” that cannot lead start-ups to get the dimension they need. The results disclosed two important insights regarding this scalability drawback. Firstly, “this is a well known worldwide problem”, as the CEO stated. In his words, there is a historic negative perception from the foreigner’s point of view regarding the Portuguese market dimension. Secondly, the Portuguese market dimension problem resides in how to “convince companies that are scaling up to maintain

their headquarters in Portugal”.

Our results also reveal that the start-ups need “people able to move start-ups properly to the international hall so that they start having easier access to bigger markets”, as the start-up mentor addressed. This led us to conclude that incubators should have the proper connections to make the bridge between the start-ups and the international market.

Not only respondents mentioned the lack of internal market dimension but also that Portugal suffers from the lack of experienced incubators that could perform this role. In this particularly domain, the results presented exemplified this concern with Silicon Valley, a well known and important entrepreneurial cluster. First of all, due to its experience, there are expert people in Silicon Valley incubators that know “what are the crucial partnerships”. Secondly, there are incubators that know which media channels should be validated and they know “exactly how to take the most out of the media”. Third, they also “know which advertising and marketing agencies are the best ones to help that particularly business”. Overall, we conclude that Portugal does not fulfil these characteristics in its incubation process.

v. Non-governmental entities – Incubators

Regarding the context of incubation in Portugal the results were unexpected. Respondents perceived too many incubators in Portugal and they explained why Surprisingly, all of the participants support the same point of view and corroborate in an imperative touch point. Due to the importance of the entrepreneurial activity in Portugal, entrepreneurship became an attractive industry in the Portuguese society. The incubator association commented that we are observing too many entities interested in founding an incubator – city councils and enterprises that create internal incubators for instance. This was the main driven that led us to conclude that Portugal is experiencing a saturated scenario regarding the business incubation environment. Nevertheless, the incubation association added that the business incubation environment in Portugal is unorganized. This result was illustrated with an example - “Nowadays we have different business incubators performing the same support for the same start-up”. In Portugal, incubators are not focusing on their scope - non-profit, technologic, societal and science parks incubators. This was self explanatory for the sloppy context of the business incubation panorama in Portugal. Sometimes incubators do not recognize that exists another one performing that same service. Nevertheless,

this unorganized scenario results in a complexity for start-ups when they need to decide among the incubators' opportunities. It is not clear to differentiate incubators in Portugal and start-ups end to became incubated in more than one entity.

The second subtheme relates to the Portuguese incubators' struggles. The interviews revealed several difficulties that the incubators experience in Portugal. The analysis of the data leads us to conclude that entrepreneur's inability in the decision making is a major concern among the Portuguese start-ups. The incubator association stated that Portuguese incubators are supporting start-ups whose mentors are not able to decide when they need to. Instead, start-ups "wait for the incubators to validate their ideas". This study concludes that the decision making inability from the start-ups came from the lack of managerial background, which comprehends a more complex issue. The data analysis shows evidence of start-ups that were only created to fight back unemployment leading to an unsustainable future, as described by the start-up mentor – "To be an entrepreneur you need to have the right profile". Nevertheless, the analysis of the interviews suggests that Portuguese incubators are not prepared for the incubation role. From the analysis of the interviews, we were able to present two concrete domains in which incubators are not prepared to execute. First, Portuguese incubators tend not to properly evaluate the sustainability of start-ups. The head of the incubator addresses this concern arguing that "Portuguese incubators are not prepared to elaborate a business plan nor to manage the bureaucracy strategy. Secondly, Portuguese incubators are not well networked in order to disclosure the international market to start-ups. Once the lack of scalability in Portugal is a concern, the results suggest that incubators need to help start-ups in this process. The start-up mentor presents this point of view stating that "start-ups should not discover who the venture capitalists are, where are the business angels, which entities can help you to make connection with these people".

vi. Early-stage of entrepreneurial activity

The early-stage of entrepreneurial activity was the last theme identified in this thematic analysis. On this current theme the results seem to be aligned with the literature previously presented, concluding that the early-stage is the most complex and critical in the start-ups path (Nobel, 2002). The mentor stated that "everything about start-ups is critical until they become a business". Surprisingly, we found that this is not a Portuguese concern. The results suggest that start-ups worldwide also suffer from this setback. In fact, as the mentor of start-ups explained, this

period is extremely risky because start-ups do not have any margin of error. Nevertheless, our research suggests a particular result for the Portuguese context. Our results show that start-ups in Portugal fail in this period due to its conceptual framework, once they are not able to execute what they previously planned. We found that this problem derives from two main reasons. Firstly, start-ups do not evaluate the feasibility of their concept. The analysis of the start-up position in the market and the examination on the market needs are two required steps for the feasibility evaluation of the concept that Portuguese start-ups are not performing well. This was addressed by the mentor, arguing that sometimes “the product is not meeting the expectations created” once “the demand is not there”. Secondly, the results indicate that in Portugal it’s quite simple to launch a start-up. This simplicity around the start-up creation does not fit the complexity of managing one. This result follows the literature presented above regarding the high start-up failure in Portugal (Caixa Geral de Depósitos, 2013) as the head of the incubator association states that this incoherence is responsible for the terrific number of start-up’s fall down each year arguing that “having a business is quite different from maintaining one”.

6. Conclusions

This research arises from the necessity to investigate the entrepreneurial activity in Portugal and to examine the Portuguese incubation process that is in part responsible for the start-up's failure. As previously stated, entrepreneurship has been an important domain of the society development during the last years in Portugal. By doing so, it is important to continue examine this phenomenon and to continue promote new conclusions regarding the area of investigation. Returning to the research questions, it's now possible to tackle it in a conclusive way. This study allows to present several conclusions. Firstly, Portugal is experiencing a saturated scenario in its business incubation environment. It's important to consider that Portugal has too many incubators. This conclusion outcome a disorganised business incubation environment in Portugal that was already presented in other researches (Ratinho and Henriques, 2010). At the same time, this climate of saturation within the business incubators in Portugal has established a mismatch between the start-ups' needs and the incubators' services. This analysis seems to be aligned with the literature presented by Susan Cohen (Cohen, 2013), stating that there are no two equal incubators and that they provide distinctive support taking into account the sector and the objective of each start-up (Cohen, 2013). This should be applied in the Portuguese context, once there are different incubators' models - non-profit, technologic, societal and science parks incubators (Caetano, 2011) – that should be specialized in a concrete start-up domain. Secondly, this paper indicates that dimension the Portuguese market is a cause for the start-up's failure. Start-ups are facing a drawback to the lack of scalability in Portugal. In fact, this is not a particular problem to the start-ups, once the Portuguese market dimension has been identified as a major concern to any kind of Portuguese business. Nevertheless, his study concludes that Portuguese incubators need to escort start-ups to the international market in order to respond properly to this disadvantage. Third, the number of start-ups that have been created in Portugal is excessive. This phenomenon arises from a another cause. In fact, start-ups in Portugal are being created as a career necessity due to the employment inopportunity. This employment inopportunity led people without any managerial background to create their own business. By doing so, start-ups are suffering from the inability of their mentors and due to the lack of a managerial background, becoming unsustainable in the future nearby. Lastly, we found that the early-stage is the most critical phase of every start-up which allowed us to conclude that it is not a Portuguese problem. Scholars have instigated this complexity regarding the early-stage in start-ups (Churchill and Lewis, 1983), but little research exists

regarding the Portuguese context. Taking into account the few academic studies on this domain, we provide a concrete result for the start-up failure in Portugal. We discovered that Portuguese start-ups fail in this period due to the incapacity to execute their concept. We conclude that they fail in their conceptual framework once they are incapable to implement their ideas.

i. Managerial implications

Empirically, this paper would benefit a different wide of people and institutions. Firstly, the conclusions and suggestions of this research it will help start-ups that failed in the past, current ones that are struggling and future ones to prevent them to fail. Secondly, the last inferences of this study will also assist incubators that failed and that were not able to learn from their mistakes and incubators that want to know how should they play in order to achieve a sustainable success in the future. Nevertheless, we recognize that this paper can benefit any other entrepreneurial actor (universities, entrepreneurs and investors) or even any other entrepreneurial enthusiast. Once this paper highlights the Portuguese context, it will benefit more the the Portuguese entrepreneurial participants. However, this research has an important impact on two entrepreneurial actors: incubators and start-ups. First, this analysis can be applied for any start-up in any industry. Secondly, it could be also applied by managers of incubators in order to strengthen the relationship between incubators and start-ups. Accessing to these results would promote an interesting debate among entrepreneurial experts. For this purpose, the latest objective of this framework is to set some recommendations and suggestions for start-ups and incubators in Portugal, allowing both to achieve better results in the future.

As previously stated, one of the major objectives of this study is to provide concrete suggestions for the start-up failure in the Portuguese society. This current topic specifies recommendations that came from the results presented above. And so, these suggestions are strongly linked to the lack of scale in the Portuguese market, to the unorganized incubation process in Portugal and to the lack of managerial background from the Portuguese start-ups. The scalability concern experiencing in Portugal should be tackled with these following recommendations. Firstly, Portugal incubators should guide start-ups regarding the internationalization process. For this, Portuguese incubators should develop their network. Creating new international links with international investors and

strengthen the existing ones should be take into consideration. Secondly, we recommend that Portuguese incubators should disclosure the Portuguese market. For this purpose, we suggest that Portuguese incubators should use the governmental entrepreneurial initiatives, fostering their visibility abroad. Particularly, regarding golden visa program and the start-up visa. These two projects developed by the Portuguese government are a proper basis to attract the international attention that Portuguese market requires. Nevertheless, we believe that both initiatives are not well known worldwide and that the Portuguese incubators should play an important role in their promotion abroad Portugal.

We now focus on proper recommendations to contest the unorganized incubation environment lived in Portugal nowadays. We highlight the necessity of having a national entity aiming to coordinate and to monitor all the work done by the Portuguese incubators. In Portugal already exists one similar entity, RIERC – Rede de Incubadoras de Empresas da Região Centro. However, this organization only englobes the incubators from the central region of Portugal. And so, we recommend that Portugal should have a national institution following the example that the central region of Portugal established. This organization would be responsible to supervise and to follow up the incubator’ work, to benchmark their practices and avoid to have different incubators helping the same start-up. The last recommendation concerns the mismatched between the start-ups’ needs and the service provided by the Portuguese incubators. We recommend that this national organization should control the allocation of start-ups to the incubators. The wide diversity of incubators in Portugal allows incubators to specialize their services regarding their scope - non-profit, technologic, societal and science parks for example (Caetano, 2011) – in order to avoid the mismatch between the start-ups’ needs and the service provided by incubators that Portugal is experiencing at the moment (Cohen, 2013).

ii. Academic implications

Academically, this paper study shows to have relevance by allowing comparisons between different experiences, stimulating an interesting debate regarding the start-up's failure in Portugal. Being possible to compare individual insights, this research enables to find similarities and divergences to better understand the main reasons behind the start-up's failure in Portugal. The actual literature focuses on analysing the incubation process and the start-ups as individual domains (Allen and Bazan, 1990, Jesús Galende, 2003), but lacks a common understanding on “how” and “why” business incubators are responsible for the start-up failure. By doing so, this paper's qualitative method contributes to answer both of these questions. Lastly, the lack of literature regarding the factors that influence start-ups to fail in the Portuguese context enable this study to provide more literature in this field.

7. Limitations

As other academic studies, this present thesis also presents some limitations. This current topic presents them and describe how these limitations constraint this research. First, we conducted this study through interviews analysis. By doing so, these interviews can be manipulated involuntarily. The interpretation of words is not simple to perform once words' meanings can have different interpretations considered the interviewer and the interviewee. Nevertheless, this approach is regularly used under qualitative study and we adopted a thematic analysis to overcome this limitation. The second limitation identified in this study concerns the interviewees' selection. Due to time and resources constraints we only collected six participants which is considered a reasonably small sample for analysis. Moreover, the lack of literature regarding the start-up failure applied in the Portuguese context limited to some extant the comparisons between similar studies. The available researches mainly covers the start-up success rate in Portugal or focus on concrete Portuguese start-ups under a case-study framework. Nevertheless, the previous studies developed by Tiago Ratinho and Elsa Henriques (Ratinho & Henriques, 2010) was a major contribution once it presents evidence regarding the business incubation environment in Portugal.

8. References

- Śledzik, K. (2013, April). Schumpeter's View on Innovation and Entrepreneurship. *SSRN Electronic Journal* .
- (2017). Retrieved from Wikipedia: https://pt.wikipedia.org/wiki/Wikipédia:Página_principal
- (2017). Retrieved from Mannheim Center for Entrepreneurship and Innovation : <https://www.mcei.de/teaching/graduate/master-thesis-topic-how-sustainable-are-our-startups>
- Acs, Z., Autio, E., & Szerb, L. (2014). National systems of entrepreneurship: Measurement issues and policy implications. *Research Policy* , 43 (3), 476-494.
- Adkins, D. (2002). A Brief History of Business Incubation in the United States. (Athens, Ed.) *National Business Incubation Association* , .
- Aerts, K., Matthyssens, P., & Vandenbempt, K. (2007). Critical role and screening practices of European business incubators. *Technovation* , 27 (5), 254-267.
- Aerts, K., Matthyssens, P., & Vandenbempt, K. (2007). Critical role and screening practices of European business incubators. *Elsevier* , 254-267.
- Albert, P. (1986). Enterprise incubators - an initial diagnosis. *Rvue Francaise de Gestion* .
- Alexandre, F., Aguiar-Conraria, L., & Bação, P. (2016). *Crise e Castigo: Os desequilíbrios e o resgate da economia portuguesa*. Fundação Francisco Manuel Dos Santos.
- Allen, D. N., & McCluskey, R. (1990). Structure, policy, services, and performance in the business incubator industry. *Entrepreneurship: Theory & Practice* , 61-77.
- Allen, D. N., & McCluskey, R. (1990). Structure, policy, services, and performance in the business incubator industry. *Entrepreneurship: Theory and Practice* , 15 (2), 61-77.
- Allen, D. N., & Rahman, S. (1985). Small business incubators: A positive environment for entrepreneurship. *Journal of Small business management* , 23 (3), 12-22.
- Allen, D., & Bazan, E. (1990). Value added contribution of pennsylvania's business incubators to tenant firms and local economies.
- Altman, E. (1983). Corporate Financial Distress.
- Amin, A. (2000). Industrial Districts, in E Shepherd and T J Barnes (eds.). *A Companion to Economic Geography* , 149-168.
- Amway. (2016). *Amway Global Entrepreneurship Report*. Amway.
- Anteby, M., & Khurana, R. (n.d.). The Human Relations Movement.
- Arruda, C., Nogueira, V., & Costa, V. (2013). The Brazilian Entrepreneurial Ecosystem of Startups: an analysis of entrepreneurship determinants in Brazil as seen from the OECD pillars. *Journal of Entrepreneurship and Innovation Management* , 2 (3), 17-57.
- Asheim, T., & Isaksen, A. (2002). Regional innovation systems: the integration of local 'sticky' and global 'ubiquitous' knowledge. *Journal of Technology Transfer* (27), 77-86.
- Audretsch, B. (2003). Entrepreneurship: A Survey of the Literature. *Enterprise Papers* , 14.
- Avnimelech, G., & Teubal, M. (2006). Creating venture capital industries that co-evolve with high tech: Insights from an extended industry life cycle perspective of the Israeli experience. *Research Policy* , 35, 1477-1498.
- Bøllingtoft, A., & Ullhøi, J. P. (2005). The networked business incubator - leveraging entrepreneurial agency? *Journal of business venturing* , 20 (2), 265-290.
- Bachher, J., & Guild, P. (1996). Financing early stage tech companies.
- Balace, B. (2017, June 2). *startups.co*. Retrieved from <https://www.startups.co>

Barrow, C. (2001). Incubator: A realist's guide to the world's new business accelerators.

Bathelt, H., Malmberg, A., & Maskell, P. (2004). Clusters and knowledge, local buzz, global pipelines and the process of knowledge creation. *Progress in Human Geography*, 28 (1), 31-56.

Beaver, G., & Jennings, L. (1996). The abuse of entrepreneurial power—an explanation of management failure? *Journal of Strategic Change*, 5 (3), 151-164.

Bergek, A., & Norrman, C. (2008). Incubator best practice: a framework. *Technovation*, 28, 20-28.

Bouchikhi, H. (1993). A Constructivist Framework for Understanding Entrepreneurship Performance. *Organization Studies*, 14 (4).

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3 (2), 77-101.

Brockner, J., Higgins, T., & Low, M. B. (2004). Regulatory focus theory and the entrepreneurial process. *Journal of Business Venturing*, 19, 203–220.

Bruneel, J., Ratinho, T., Clarysse, B., & Groen, A. (2012). The Evolution of Business Incubators: Comparing demand and supply of business incubation services across different incubator generations. *Technovation* (32), 110-121.

Caetano, D. (2011). *ncubadoras de Empresas e Modelos de Incubação em Portugal: Incubadoras Regionais vs. Universitárias*. Universidade do Algarve - Faculdade de Economia.

Carayannis, E. G., & Zedtwitz, M. v. (2005). Architechting gloCal (global-local), real-virtual incubator networks (G-RVINS) as catalysts and accelerators of entrepreneurship in transitioning and developing economies: lessons learned and best practices from current development and business incubation practices. *Technovation*, 25 (2), 95-110.

Carree, M., & Thurik, R. (2008). The lag structure of the impact of business ownership on economic performance in OECD countries. *Small Business Economics*, 30 (1), 101-110.

Chan, K. F., & Lau, T. (2005). Assessing technology incubator programs in the science park: the good, the bad and the ugly. *Technovation*, 25 (10), 1215-1228.

Churchill, N., & Lewis, V. (1983, May). The Five Stages of Small Business Growth. *Harvard Business Review*.

Cohen, S. (2013). What Do Accelerators Do? Insights from Incubators and Angels. 8.

communities, C. o. (2003). Entrepreneurship in Europe.

Cooke, P. (2001). Regional Innovation Systems, Clusters, and the Knowledge Economy. *Industry and Corporate Change*, 10, 945-974.

Cooke, P., Uranga, M. G., & Etxebarria, G. (1997). Regional Innovation systems: Institutional and Organisational dimensions. *Research Policy*, 26, 475-491.

Council, N. E. (2012). *Moving America's small businesses & entrepreneurs forward*.

Craig, B., III, W. J., & Thomson, J. (2005). SBA Guaranteed Lending and Local Economic Growth. *Federal Reserve Bank of Atlanta*.

Cresswell, J. (2014). *Quantitative, qualitative and mixed methods approaches* (Vol. 4). SAGE.

D&B, I. (2016). *O Empreendedorismo em Portugal*.

Depósitos, C. G. (2013). *O retrato das startups em Portugal*.

Djankov, S., Porta, R. L., Lopez-de-Silanes, F., & Shleifer, A. (2002). The regulation of entry. *Quarterly Journal of Economics* (117), 1-37.

Durão, D., Sarmiento, M., Varela, V., & Maltez, L. (2005). Virtual and real-estate science and technology parks: a case study of Taguspark. *Technovation*, 25 (3), 237-244.

Económico, J. (n.d.). Retrieved from <http://www.jornaleconomico.sapo.pt/noticias/mercado-novos-jovens-portugueses-criaram-um-negocio-de-sucesso-na-america-latina-247732>

Eshun, J. P. (2009). Business incubation as strategy. *Business strategy series*, 10 (3), 156-166.

Feld, B. (2012). *Startup communities: Building an entrepreneurial ecosystem in your city*. Hoboken: NJ: Wiley.

Feldman, M., Francis, J., & Bercovitz, J. (2005). Creating a cluster while building a firm: Entrepreneurs and the formation of industrial clusters. *Regional Studies*, 39 (1), 129-141.

Foley, P., & Green, H. (1989). Small Business Success. (P. C. Publishing, Ed.) *Small Business Research*.

Fonesa, R., Lopez-Garcia, P., & Pissarides, C. (2001). Entrepreneurship, start-up costs and employment. *European Economic Review*, 45 (4), 692-705.

Freel, M. (1999). Entrepreneurial and growth firms. *Entrepreneurship and Small Firms*, 2.

Galende, J. (2003). Internal factors determining a firm's innovative behaviour. *Research Policy*, 32 (5), 715-736.

General, E. C. (2002). *Benchmarking of Business Incubators*. Strategy & Evaluation Services.

Gillham, B. (2000). *Case Study Research Methods* (Vol. 1). Continuum.

Gray, C. (1998). *Enterprise and Culture*.

Greiner, L. (1972). Evolution and revolution as organisations grow. *Harvard Business Review*.

Greiner, L. (1972, July/August). Evolution and revolution as organisations grow. *Harvard Business Review*.

Grumbine, R. E. (1994). What Is Ecosystem Management?

Hackett, M., & Dilts, D. (2004). A Systematic Review of Business Incubation Research. *The Journal of Technology Transfer*, 1, 55-82.

Hackett, S. M., & Dilts, D. M. A systematic review of business incubation research. *The journal of Technology Transfer*, 29 (1), 55-82.

Haro, F. (2013). As retóricas da crise em Portugal.

Hebert, R., & Link, A. (1989). In Search of the Meaning of Entrepreneurship. *Small Business Economics*, 1 (1), 39-49.

Honig, B., & Karlsson, T. (2007). Social capital and the modern incubator: a comparison of in-group and out-group social networks. *Frontiers of Entrepreneurship Research*, 27 (5).

Hospers, G.-J. (2007). Silicon Somewhere? *Policy Studies*, 27 (1), 1-15.

Hospers, G.-J. (2007). Silicon Somewhere? Assessing the usefulness of best practices in regional policy. *Policy Studies*, 1-15.

Hospers, G.-J., Desrochers, P., & Sautet, F. (2009). The next Silicon Valley? On the relationship between geographical clustering and public policy. *International Entrepreneurship and Management Journal*, 5 (3), 285-299.

Hudson, Dobson, & Lafferty. (2006). Is a healthy ecosystem one that is rich in parasites? 21.

Hughes, M., Ireland, R. D., & Morgan, R. E. (2007). Stimulating dynamic value: Social capital and business incubation as pathway to competitive success. *Long Range Planning*, 40 (2), 154-177.

Isenberg, D. J. (2011). How to Foment an Entrepreneurial Revolution. *Bahrain: The Babson Entrepreneurship Ecosystem Project*.

Isenberg, D. J. (2010). How to Start an Entrepreneurial Revolution. *Harvard Business Review*, 88 (6), 40-50.

Jennings, P., & Beaver, G. (1997). The performance and competitive advantage of small firms: a management perspective. *International Small Business Journal* , 15 (2), 63-75.

Knoepp, J. D., Coleman, D. C., Jr., D. C., & Clark, J. S. (2000). Biological indices of soil quality: an ecosystem case study of their use. *Forest Ecology and Management* , 357-368.

Kritikos, A. (2014). Entrepreneurs and their impact on jobs and economic growth. *IZA World of Labor* , 8.

Lalkaka, R., & Bishop, J. (1996). Business Incubators in economic development - an initial assessment in industrialising countries.

Lundvall, B. A. (1992). *National Innovation Systems*. London: Pinter Publishers .

Mason, C., & Brown, R. (2014). *Entrepreneurial Ecosystems and Growth Oriented Entrepreneurship*. OECD LEED Programme.

Massey, D., Quintas, P., & Wield, D. (1992). High-Tech Fantasies: Science Parks in Society. *Science and Space* .

McAdam, M., & McAdam, R. (2008). High tech start-ups in University Science Park incubators: The relationship between the start-up's lifecycle progression and use of the incubator's resources. *Technovation* , 28 (5), 277-290.

McDonnell, M. J., & Pickett, S. T. (1990). Ecosystem Structure and Function along Urban-Rural Gradients: An Unexploited Opportunity for Ecology. *Ecological Society of America* , 71, 1232-1237.

Mian, S. A. (1997). Assessing and managing the university technology business incubator: an integrative framework. *Journal of Business Venturing* , 12 (4), 251-285.

Monitor, E. S. (2016). *Country Report Portugal*. Universidade Nova de Lisboa.

Monitor, G. E. (2017). *Global Report*. Global Entrepreneurship Research Association.

Mooij, M. D. (2011). Consequences for global marketing and advertising. *Consumer behavior and culture* , 2.

Murphy, G. B., Trailer, J., & Hill, R. C. (1996, May). Measuring Performance in Entrepreneurship Research.

Negócios, J. d. (2013). *Startups representam 6,5% do tecido empresarial em Portugal*. Retrieved from http://www.jornaldenegocios.pt/empresas/detalhe/startups_representam_65_do_tecido_empresarial_em_portugal

Nobel, C. (2011, March). Why Companies Fail—and How Their Founders Can Bounce Back. *Harvard Business School Working Knowledge* .

Notícias, R. (2010). Retrieved from https://www.rtp.pt/noticias/economia/crise-fecha-empresas_v370492

Nowak, M. J., & Grantham, C. E. (2000). The virtual incubator: managing human capital in the software industry. *Research policy* , 29 (2), 125-134.

OECD. (2003). Venture capital policy reviews. *STI Working Paper* .

Parker, M. (2000). The basis for long-run economic growth. *Physioeconomics* .

Partnership, S. E. (2017). *SEP Monitor - Scaleup Portugal*. Mind the Bridge.

Patton, M. Q. (1990). *Qualitative evaluation and research methods* (Vol. 14). CA.

Pauwels, C., Clarysse, B., Wright, M., & Hove, J. V. (2016). Understanding a new generation incubation model: The accelerator. *Technovation* , 13-24.

Peña, I. Business incubation centers and new firm growth in the basque country. *Small Business Economics* (3), 223–236.

Peters, L., Rice, M., & Sundararajan, M. (2004). The role of incubators in the entrepreneurial process. *The journal of technology transfer* , 29 (1), 83-91.

Phan, P. H., Siegel, D. S., & Wright, M. (2005). Science parks and incubators: observations, synthesis and future research. *Journal of Business Venturing* (2), 165-182.

Picazo, M., Galindo, M., & Ribeiro, D. (2012). Governance, entrepreneurship and economic growth. *Entrepreneurship & Regional Development* , 24 (9).

Plosila, W. H., & Allen, D. N. (1985). Small business incubators and public policy: Implications for state and local development strategies. *Policy Studies journal* , 13 (4), 729-734.

Portugal, E. (2017). *Attractiveness Survey 2017 - Portugal is on Europe's rada*. EY.

Portuguesa, R. (2017). *Programa Startup Visa*. Lisbon.

Ratinho, T., & Henriques, E. (2010). *The role of science parks and business incubators in converging countries: Evidence from Portugal* . Elsevier.

Reijonen, H., & Komppula, R. (2007). Perception of success and its effect on small firm performance. *Journal of Small Business and Enterprise Development* .

Roberts, E. (1990). Initial Capital for the NewTechnological Enterprise. *IEEE Transactions on EngineeringManagement* , 37 (2), 81-94.

Sapo Notícias. (2017). Retrieved from <http://tek.sapo.pt/noticias/negocios/artigos/o-mercado-esta-a-mexer-todos-os-anos-sao-criadas-35-mil-startups-em-portugal>

Scott, M., & Bruce, R. (1987). Five stages of growth in small business. *Long Range Planning* , 20 (3), 45–52.

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of management review* , 25 (1), 217-226.

Sharwood, G. (1989). A Special Report by Sharwood and Company. *At The Threshold: Canada's Medium-Sized Businesses Prepare for the Global Marketplace of the 1990's A Special Report by Sharwood and Company* , 14, 1-20.

Shields, P. (1998). Pragmatism as philosophy of science: A tool for public administration. *Research in Public Administration* , 4, 195-225.

Shields, P., & Rangarajan, N. (2013). *A Playbook for Research Methods: Integrating Conceptual Frameworks and Project Management*. New Forums Press.

Shields, P., & Tajalli, H. (n.d.). Intermediate theory: The missing link in successful student scholarship. *Journal of Public Affairs Education* .

Smilor, R. W., & Gill, M. D. (1986). The new business incubator linking talent, technology, capital and know-how.

Stel, A. v. (2006). Empirical analysis of Entrepreneurship and Economic Growth. *ISEN* .

The Global Entrepreneurship and Development Institute. (2017). Retrieved from <https://thegedi.org/managing-entrepreneurial-ecosystems/>

Thomson, A., & Gray, C. (1999). The determinants of management development in small business. *Journal of Small Business and Enterprise Development* , 6 (2), 113-127.

UKBI. (2009). The business incubation development framework.

University, C. (2012). *Cambridge Advanced Learner's Dictionary & Thesaurus*. Cambridge University Press.

Venkatraman, N., & Ramanujam, V. (1986). Measurement of Business Performance in Strategy Research: A Comparison of Approaches. *The Academy of Management Review*, *11*, 801-814.

Vliert, E. V., Janssen, O., & Vegt, G. S. (2016). Hard or Easy? Difficulty of Entrepreneurial Startups in 107 Climato-Economic Environments. *APPLIED PSYCHOLOGY: AN INTERNATIONAL REVIEW*, *65* (3), 469–489.

Wessner, C. (2000). *The Small Business Innovation Research Program* .

Whyley, C. (1998). Risky Business. *Policy Studies Institute* .

Wickham, P. (2001). Strategic Entrepreneurship. (Hall, Ed.) *Financial Times/Prentice* .

Wiley, J., & sons. (2003). Small Business - success and failure. *Strategic Chang*, *12*, 115-122.

Wolfe, D. (2005). The role of universities in regional development and cluster formation. *Creating knowledge, strengthening nations*, 167–194.

9. Appendix

iv. 2016 Amway Global Entrepreneurship Report

The 2016 report was guided under five different questions presented below.

1. “How do you see entrepreneurship and can you imagine starting a business?”

Possible answers:

- i. Positive attitude towards entrepreneurship.
- ii. Entrepreneurial potential (respondents who can imagine starting a business)

2. “In your opinion, which of the following aspects appeal to you as reasons to start up your own business?”

Possible answers:

- i. Better compatibility of family, leisure time and career
- ii. Second income prospects.
- iii. Self-fulfilment: possibility to realize own ideas.
- iv. Independence from an employer, being my own boss.
- v. Return to job market, alternative to unemployment

3. “If you think of yourself, do you agree with the following statements (based on the theory of planned behavior; consistency of attitudes, social norms and perceived behavior control)?”

Possible answers:

- i. I consider starting a business as a desirable career opportunity for myself (desire).
- ii. I possess the necessary skills and resources for starting a business (feasibility).
- iii. My family or friends could never dissuade me from starting a business (stability against social pressure).

4. “How do you think about the development of self-employment in the next five years? In

five years, people in my country will be ...”

Possible answers:

- i. More likely to be self-employed in full-time or part-time than today.
- ii. As likely to be self-employed in full-time or part-time as today.
- iii. Less likely to be self-employed in full-time or part-time than today.
- iv. No answer.

5. “How would you feel if you would have to search for and acquire your own customers as a self-employed person?”

Possible answers:

- i. Comfortable.
- ii. Uncomfortable

v. Interviews

Nuno Pires – CEO Sport TV

1) In your opinion is it true that there is a movement within the start-ups appearing in Portugal? A trend with a certain business segment?

Nuno Ferreira Pires (Sport TV CEO): It's much more than a movement. I think start-ups always were part of the society. The only difference we are facing now, and we are watching as a trend across the globe, is that start-ups usually used to be the very initial part of an entrepreneur or investor that had an idea or a specific strategic plan to achieve, a specific economic goal. But in reality people were not looking into that kind of approaches in a standardized way. Today people do realize that it is easy, eventually faster than what they thought, and very rewarding to bet their lives in this kind of lives. So having said this, what I think is that in the past because people didn't have not have access to knowledge, and people needed to have a rich father, a good university graduation, some money in their pockets, and some safety...some network of people that around them that would give them safety signals. If you knew a lawyer, someone of economics, someone that would be able to give legal advice, the way to start a business – even basic stuff like the way you register a business. Today you go to google and you can find all the kit to open your company. So, it's not a dark side of the society anymore. If you are 14 15 years old you can easily go to google and find the word "Start-up" and easily you know to register, how much is it cost to you, what are the legal touch points you need to cover and the risks you will be facing. You have a lot of people sharing with you in social networks, in linkedin, in facebook their experiences, what they have faced some years ago in the same sectors and businesses you are starting up. So it's very easy to people first of all because knowledge is their now and it's available to everyone This means that the target potential market people you could address their careers as entrepreneurs it's much more wider. In the past it was a small tiny part of the society that had money or good graduation levels. And at the same time, people have eligible basis to be part of this target and at the same time this same basis, they have a huge amount of information and safety signals that gave them the push forward to start-up. So if you combine these factors, I don't think it's a trend at all. I think it's a new way society transform itself to be organized. It's not a fashion movement and it will not end

anymore. People nowadays realize it's easy, much faster than what they think and they can quickly generate value to society and to get extra return. It will not stop neither decrease for sure,

2) Do you think that Portugal is suffering from a “speculative fever” among the technological enterprises?

Nuno Ferreira Pires (Sport TV CEO): No I don't. At all. I still remember when I was in Procter&Gamble 20 years ago, the Portuguese people were very well known across the globe as the most creative and the most hard working. We might be little less efficient than other countries in work produce per hour but, in the end, you work so many hours more and you are so creative that, when you combine these two factors usually the Portuguese people were the favourite ones. You will always have this. Secondly, this perfect cultural combination makes the perfect DNA to be hub for start-ups because it is exactly what you need. You are starting up. So you don't have a lot of resources in headcount. You need a lot of working hours. You need to be willing to work 24/7. And you need to have a lot of creativity because you'll be probably starting up either in a new sector or in a sector with a lot of competition. So you need to be the most creative to achieve a competitive advantage. From my perspective, Portugal had always these two components in its DNA. The only difference is that if you combine this DNA with other factors that countries are discovering about Portugal – the perfect weather, the perfect safety inside the country, the perfect cost (apart from taxes off course) – allowed to suddenly Portugal, that was out of the map for the most part of the countries, currently is in the map of those countries and they look at us as cheap country, with 265 days of sun, with nice creative and hard working people, that you can walk around in 4am and you don't get stolen and where it is safety to invest. I would say the only two things that could eventually put Portugal a little bit lower in the rank is the taxation level and the labour legislation once Portugal is still very protective which it is risky for companies to come here. Some of these problems were mitigated by the previous government with the golden visa programs, for instance.

3) From your world-wide experience, what is the opinion from the international investors with our national entrepreneurial ecosystem?

Nuno Ferreira Pires (Sport TV CEO): I think they are quite curious of how fast Portugal was able to position itself on this. But at the same time Portugal will always suffer from something that you cannot take it away. And that is Scale. Portugal does not have scale. But at the same time if you think carefully, the lack of scale is good once it means Portugal is also very safe from an investment stand point to be the pilot test of the other markets. So if you start in Portugal and something goes well here, or not, the way you can establish here the concept and then scale it up in other countries or if you go once the business was not good or didn't succeed you did not suffer a big damage. Just because you are not operating in a UK market or a US market, where your level of exposition and initial investment is much higher. So, here, with low levels of investment you can scale it up to 10 million habitants or 4 million households, meaning that it's easy to scale it up. The big problem in Portugal is, at the same time, very good for the small enterprise's approach. Then you will always have the problem how you convince companies that are scaling up to maintain their HQ in Portugal. Mainly due to the taxation level. Simply because after scaling up, they will find bigger and more interesting markets abroad where they should have headquartered there. If you have market that is ten times bigger than Portugal, why should you keep your HQ there (apart from the quality of life and the cost of living). You need to be near to your customers, so probably you would think about "I should move my HQ there and so, Portugal will lose because it will lose the taxes' revenues". And at the same time, due to the lack of scale, we should be more benevolent within the taxation current model. And we are not. We are very strict and very exigent in the taxation levels. So we don't have, apart from the golden visa, any big incentives to continuing host unicorns' HQs as Farfetch here in Portugal. And I think this it will be a big problem in our country in the next years. It's a bit ridiculous since you are the hub – you create people here, you create the business here, you scale it up from here. And you are the basis. So, in the end, the government should think very carefully on how will we retain these companies and their people in Portugal, enabling to create the revenues from taxation destination here.

4) Apart from government, do you think that there are non-governmental incentives in Portugal? And do you think Portugal is well prepared regarding those non-governmental entities (as hubs, incubators, accelerators programs and business angels)?

Nuno Ferreira Pires (Sport TV CEO): I would say that we are being very slow in creating more for the fast pace of growth. Yes, you have some – fábrica de start-ups, beta-I and so on – but I think for the level of creation, I think it's not enough anymore. I would say we did quite well in the last two or three years but we are already late to be coping with the current pace level.

5) “The great challenge of Portuguese entrepreneurship is to move from the early stage phase to the growth phase.” This is a public known sentence from Adelino Costa Matos, the ANJE’s President (Associação Nacional de Jovens Empresários). Could you please comment?

Nuno Ferreira Pires (Sport TV CEO): I would not say I don't agree but I think he using jargon because that is not a Portuguese problem. That is a world wide one. Of course when people start up, the big problem is not starting up in itself. You have a lot of marketing books saying since the early nineties that more than 75% of companies fail due to bad execution. When you start up you are in the concept phase, so you are conceptualizing and trying to implement the concept. The big problem is how do you grow and how do you scale it up. The scalability of a business is basically controlled and manipulated by the level of execution you are able to implement in the market. So, the execution process is the key driver for even if you have the best idea in your life. If you are not able to execute, this is what will dictate the level of success. Yes, I agree as I also agree with the books I read, which says that “you have a nice concept, you have small investment that gives you the first bucks to invest. Good. You go to the market. It's easy to get the first customers. But than if you are not strategic and chirurgical enough to create a nice execution and implementation process, you will fail to scale it up, to succeed and to get proper growth”.

6) Would you be able to address some best practices conducted in other ecosystems and to apply in Portugal? From your international experience, can you give a concrete example?

Nuno Ferreira Pires (Sport TV CEO): I think that there are no best practices I saw around the globe that we don't have here in Portugal. Second Home for instance. Great best practices. But it is already here. So the major best practices you can see in New York, London, Amsterdam we already have here. And if they are not here, they are completely available virtually speaking. I don't think the problem is getting more processes, more benchmarks or more ideas. We already have pretty much and if you use the amount that is now in Portugal, it could be very good. However, despite Second Home here in Lisbon, I don't know none other example in Oporto, for instance. Probably the people in Oporto that live there and would like to keep their life there, where can they work? Sonae, Lactogal, eventually another one or two industries, but what else? You don't have much more companies in Oporto. So, if you want to develop a nice career in Oporto, you already have a castration problem since the beginning. If I don't like none of these sectors or companies, what should I do? Probably you would like to be an entrepreneur. It's much more difficult for people not to be an entrepreneur in Oporto than in Lisbon. So de main idea is that you need to replicate what you have in Portugal instead of new stuff.

7) Is it credible to think that national start-ups have a chance to compete abroad? Or it is not even a desire of Portuguese entrepreneurs?

Nuno Ferreira Pires (Sport TV CEO): I don't have any doubts. You have a lot of good examples. Farfetch is an optimal example. Uniplaces is another one. Babbel a marvellous one. So if you pick these three examples that I said and one hundred more it's no longer an opinion. It's a fact. They are there, operating in the market, funding themselves with international funds. Science4you another example. You have so good examples that already got concrete, tangible results and that are succeeding around the globe.

8) What kind of non-governmental support do you believe Portuguese entrepreneurs are demanding?

Nuno Ferreira Pires (Sport TV CEO): Honestly I don't know, but if I would need to guess I would say that you have some incentives to people to come, like golden visa. I don't think Portugal is doing enough to have non-governmental support to this kind of initiative. The government has created this. And with this, you could generate a huge amount of incoming people and incoming revenues to Portugal. I would say that there's a possibility of non-governmental organizations for instance, to create processes of communication with other countries to make these kind of programs aware of other people. I remember when I was working in Pestana, I had a lady that worked for me. She was a marketing and sales director for Europe and I was always playing, trying to convince her to come and live in Portugal. And one day, we were speaking seriously about that and she didn't have a clue about the golden visa programs. So, I think the government did some very nice stuff that is already the basis that the private and civil society should take advantage to create process and communication across the globe about those initiatives because those are the kind of initiatives entrepreneurs need. Some of them are asking. Another are not asking. But they really need these, and lot of people don't know. You might have a lot of start-upers that are thinking coming to Portugal, but they don't have a clue the amount of initiatives our country has for them that would accelerate their decision. And I think when people think about non-governmental things, they need to consider as the second step of the governmental ones. Because in the end if you want to come here as a start-up, the initial part of the entire house is legislation. Good legislation. Good labour and taxation levels. Easy processes to open your business. So either you want or not, the governmental part it will be the initial step to build the house. And mainly because it is the way a country is organized and structured to welcoming you. But, once again, the society needs in fact to take advantage of it. Real state for instance. I bought a house four years ago. Two weeks ago I had a Chinese offering four times more what I've paid. The bubble is already here. But in reality, you have house prices close to Beverly Hills and Miami. And you still have a lot of people – I can give you concrete names – that I know, with a lot of money that would love either to leave in Portugal or to invest here that don't have a clue about the golden visa programs. Or either about the initiatives of FDI in Portugal. They would not stop coming. It's is not anymore a fashion trend. It's the other way around. The government created the basis for this. And the society is not doing well enough. There are people that could be living in Portugal and willing to spent their money here,

but don't have a clue about what's happening here. Portugal was not known at all and now everyone knows Portugal. And this is not fashion. Portugal was not in the map. And now it does. Madonna is living here.

9) Overall, how would you describe our ecosystem and what are the required approaches to improve it?

Nuno Ferreira Pires (Sport TV CEO): The two main adjectives to our ecosystem are Faster and Creative. There are the two main touch points that make Portuguese entrepreneurs very competitive across the globe. They are very fast – due to their high level of energy – and they are willing to work very hard. The combination of these two factors make them very fast. And the second is because we are very creative. And why? Because we are very small. And when you are very small and you don't have a lot of money in your pocket, you need to *create a lot of creativity* in your mind to make sure you get a better proper way of living, a better house, a better car, a better employment, a nice business. So, Portugal since the very beginning of its history as a nation, always needed to be creative. So we are very creative, faster and hard working. And this reflects the Portuguese DNA of entrepreneurs. The only thing that we can not combine to this output is that this is not anymore our start-up world. Because the Portuguese start-up hub today is not made of only Portuguese people or enterprises. Foreigners are leaving here and working here.

Miguel Figueiredo – Mentor, keynote and speaker for start-ups

1) How do you evaluate this strong panorama regarding the start-up's creation in Portugal?

Miguel Figueiredo (Start-up's mentor): So it definitely a phenomenon that is growing. Portugal didn't have any background, any history in start-ups. Mainly with technological start-up's creation until five years ago. And, specially with Start-up Portugal and a couple of movements that began at that time, we started seeing that sector starting to existing and growing. And with the Web Summit phenomena brought the spotlight into it and now it's peaking up. I think that is also peaking up because together with the tourism, Portugal is being more and more perceived as a great place to work and live. And it's attracting a lot of youngsters that want to start their business anywhere. And they decided to start here in Portugal.

2) Do you consider that is this the result of some ecosystems transformations? Which ones?

Miguel Figueiredo (Start-up's mentor): I would say that behind of this phenomenon there's always the chaos theory. So it's always the sum of many different factors. Certainly, the important role of João Vasconcelos performed alongside the start-ups when he joined the government. He made a serious bet in this field. With someone that knew a lot about the ecosystem. So he cut a lot of corners in order to bring it to the spotlight. But it was also, I think, the tourism growth that brought attention to Portugal. Also, the fact that we started having rich people with a lot of money wanting to put it on technological start-ups and did no how. And so, they started to create their own environments to set up and promoting the existence of start-ups. And also once there was a big financial crisis that led a lot of people to unemployment. And so, creating their own company was an exit.

3) How do you think Portuguese entrepreneurs perceive *business failure*? Should this be considered as an obstacle?

Miguel Figueiredo (Start-up's mentor): Well this is a good question. Here in Portugal I think that professional and overall failure is perceived as a personal failure. So if I fail in my job, I fail as a person. And this is terrible. Because when people mix the results of their actions with their own personality, it gives you a lot of fear. And with fear of failure, you tend to delay decisions (that is a decision in itself), you tend to not judge properly the risks involved with the best

alternatives and tend to go to the safer option, which is most of the times not the best call at all. And so I think we need to learn how to deal better with failure in order to improve. There's an important advice that we do not use here: "There's no problem in failure unless you fail fast". And here in Portugal, people try to avoid failure so much. They just keep on fighting and up to a point, it's no longer resilience. It's just inability to meet what happened.

4) Early stage is a the most critical phase of start-ups. Do you agree? Do you think this is specially happening in Portugal?

Miguel Figueiredo (Start-up's mentor): I think that everything about start-ups is critical until they become a business. At that point they cannot call themselves start-ups. There is a huge fail percentage. So the risk is absolutely tremendous. So everything that you do is absolutely critical, ok? And even that didn't ensure success. So I think at the beginning, where a lot of companies fail, is on the concept proof. They have an idea. They try to turning it into a business. The demand is not there. Or the positioning is not quite good. The product is not meeting the expectations created. So, something around the concept is not working. And I think that in Portuguese particularly, we are living moments of a lot of naivety around the start-up world. Now everybody thinks that it is sexy to set up a technological start-up. The last numbers I saw, the start-up's failure in Portugal is even in a higher percentage than in the US. Because US is a much more mature market. So, even the earlier investors are abler to recognize when things are not properly set up to start the business. Here it's the other way around. Everybody wants to have some money at least in a start-up. So they see an idea and "woowoo" I am gonna put some money. Even some companies that shouldn't even bother to exist, exist.

5) What are the most common struggles that national start-ups are suffering nowadays during the early stage? What kind of support are they demanding?

Miguel Figueiredo (Start-up's mentor): I think the big struggle is our home market. It is extremely small. It's much easier to start your business by exploring your home market before you starting abroad. It's good to expand your market where you have your HQ. And in Portugal, once the market is so small, it can give you a sense of non-opportunity present. For instance, if you get half of the market, you end up with nothing. But half percent of the US market is absolutely enormous. And the same half percentage in our market is not enough to you realize if you are doing well, if you are viable. You are not able to compute if you are statistically credible. Besides, start-ups need people able to move properly them to the international hall so that they start having easier access to bigger markets.

6) What stops us from being on the same level as Silicon Valley?

Miguel Figueiredo (Start-up's mentor): The years of experience for starters, ok? There are economies of knowledge in that market. Silicon Valley is way ahead of us. Also because we are missing a layer of initial investors that are extremely well connected to boost the start-ups' businesses. So we have a lot of seeding capital but not experience seeding capital. For instance, in the US you have a Chris Sacca: if he invests in your company, just because he is investing, is halfway of the enterprise success path already done. Because he knows exactly how to take the most out of the media; which media; who are the people that need to be connected to the business in order to thrive; what are the crucial partnerships; how to boost for the next level; which advertising and marketing agencies are the best ones to help that particularly business. And so on. Here in Portugal you don't have that full ecosystem setup.

7) Accelerators programs, incubators and BA are known as non-governmental support entities that help start-ups in their journey. What do you think is crucial to do in order to boost and improve this relationship?

Miguel Figueiredo (Start-up's mentor): I think for starters the ecosystem should be more visible. If you have a business idea and you develop a prototype. And you start selling it and you realize that there is viability in your home country. But you also realize that you would need some support for the next stage. You shouldn't have to go in this journey by yourself. You should not discover who the venture capitals are, where are the business angels, which entities can help you to make connection with these people. And so on.

8) What are the main drawbacks of our national entrepreneurial ecosystem?

Miguel Figueiredo (Start-up's mentor): Apart from the size and transparency, I would say that is to have season experienced entities. We don't have that yet. You have a well known ecosystem and you need to bring highly educated entrepreneurs into it. People with college degrees and masters setting up a business. Because you see that there are people doing it just because they don't have a job. And that shouldn't be the motivation in building a company. You should not be motivated because that's the only option for you and you don't see any other option. To be an entrepreneur you need to have the right profile. Is not just something that happens to you. Is something you seek for it.

9) Overall, how would you describe our ecosystem and what would you recommend to the national non-governmental support entities?

Miguel Figueiredo (Start-up's mentor): I would characterize it as being a teenager. And I think the biggest help public entities can give is reform the educational system. So that we can create a tear of young people that has the capability and the drivers to become an entrepreneur.

Jorge Oliveira – iNOPOL

Jorge Oliveira (iNOPOL): Um dos factores que tem vindo a motivar no falhanço de uma start-up é o encontrar emprego. Aconteceu no caso da linkactivo, no caso da CapsAllinOne e com a Smartagro. Os promotores entravam no concurso de ideias muito tarde. Normalmente no seu último ano académico. Ganhavam alguns prémios importantes, eram elogiados por muita gente. Contudo no final não havia sustentabilidade do projecto. Ou seja, o desejo de obtenção de rendimento com o projecto era impossibilitado. Ao mesmo tempo, e estando a maior parte dos promotores no seu último ano curricular, recebiam propostas de emprego. Tendo as duas opções na balança – a carreira profissional e o projecto empreendedor – esta acabava por pender para o primeiro. As empresas tardam por criar uma estrutura de sustentação que lhes permita pagar vencimentos. O timing e o tempo entre a criação da ideia e a rentabilização da mesma acabam por colidir com os interesses pessoais que vão surgindo ao longo da vida. Por outro lado, temos notado uma outra situação. Quando se elabora um concurso de ideias, o júri não tende a avaliar os projectos de forma aprofundada. Nunca faz parte do leque de factores a verdadeira originalidade da mesma. Falo concretamente na hipótese de a ideia vir a ser patenteada. Já aconteceu no iNOPOL por duas vezes. Ideias sólidas e vencedoras mas que, no momento de avançar, foram travadas pela já existência de conceitos semelhantes. Ou seja, quando o acesso às bases de dados de patentes é realizado, constata-se que já existem ideias iguais. Então quando se passa para as bases de dados internacionais é uma desgraça! Uma tinta refletora para aplicar nos painéis solares que era capaz de reter a energia recebida, por exemplo. Uma ideia que nos parecia bastante inovadora. Fantástico. Quando foi realizado um acesso às bases de dados aprofundado, demos conta que já existiam 300 resultados parecidos. E o painel de jurados nem sabiam desta existência. Os projectos acabam por não ser patenteados porque não são patenteáveis. Não existe esta investigação o que acaba por colidir com o conhecimento já produzido. Por último identificámos um outro problema. A não existência de um investigador ou até de um patrono. Um líder ou um sustentáculo capaz de segurar e comandar o projeto. Não é tanto a inexistência de um investidor. Até porque não achamos que a obtenção de investimento seja um entrave. Os apoios financeiros existem e são muitos. Até há demasiadas linhas de financiamento. Até se torna demasiado confuso para quem está a iniciar um projeto saber qual o caminho a seguir. Dinheiro existe e mais do que nunca. É preciso existir uma base, um mentor, alguém que acredite fielmente na ideia.

1) Quais são as maiores desvantagens do nosso ecossistema para as start-ups?

Jorge Oliveira (iNOPOL): Eu diria antes de mais uma coisa. Nós somos uma realidade bastante diferente. Nós estamos ligados ao politécnico e portanto, algum dos promotores tem de estar ligado ao politécnico de Coimbra. E portanto, neste contexto, temos de considerar que temos o gigante do IPN (Instituto Pedro Nunes) aqui ao lado. Apesar de que nós não somos, de facto, concorrentes do IPN. Até temos desenvolvido bastantes trabalhos em parceria com eles. Até nos admiramos como é que as três ideias tecnológicas que neste momento fazem parte do iNOPOL não foram sediadas no IPN, já que é uma incubadora de base tecnológica. Talvez pudéssemos ter mais projetos aqui. Mas penso que acaba por ser uma desvantagem que nos traz vantagens. O IPN já tem uma base consolidada há muito tempo e, portanto, nós acabamos por beneficiar da sua experiência. Mas de facto acaba por existir demasiadas incubadoras em Portugal. É uma discussão recorrente em alguns fóruns da rede RIERC – Rede de Incubadoras de Empresas da Região Centro. No país todo já existem mais de 60. Só na cidade do Porto existem mais incubadoras do que na RIERC. Contudo acaba por existir uma questão política por trás. E isso torna esta característica numa dimensão muito maior. Os interessados na criação de incubadoras percorrem muitas e diversas entidades. Os municípios por exemplo. É legítimo tomarem partido deste movimento já que isso fomenta o desenvolvimento local e regional. Fundão e Penela, por exemplo. A participação das câmaras municipais acaba por estar envolvida. E neste momento suspendemos os pedidos de adesão à rede RIERC por já estar saturada e descontrolada. Já temos tido alguns problemas para arranjar um local de reunião porque, por vezes, somos mais de 30 participantes. Contudo, há um projeto de criação de uma rede nacional de incubadoras há muito tempo em cima da mesa. Mas isto é uma guerra! E tudo porquê: porque existem três associações que pretendem ser a base e a origem desta rede. A RIERC, a rede BICS – Associação de Centros de Empresa e Inovação Portugueses e a rede de Parques Tecnológicos. Os três querem que as suas associações sejam o ponto de partida para esta ideia nacional e que as suas estruturas sejam então a base. E neste momento não está fácil. E isto acaba por ser uma complexidade tremenda até para nós. Se um projeto novo chega aqui eu não consigo explicar a realidade que se vive em Portugal. Eu tenho muita dificuldade em aconselhar às pessoas qual o caminho a seguir. É tremendamente complexo! Ainda assim, a aposta do governo no empreendedorismo está aí. Pelo menos parecesse que se quer fazer alguma coisa. E só com uma rede nacional é que se conseguirá retirar sinergias e evitar trabalho redundante. Porque os

obstáculos de cada um geram benefícios para todos. Se chegar um projecto aqui com uma vertente tecnológica, basta-me fazer um telefonema para o IPN e perguntar se o podem receber. Esta cooperação já existe dentro da RIERC. Participamos em conjunto em reuniões e fóruns ocasionais. Mas não perdemos a nossa autonomia. O essencial é que quem tome as decisões, o governo, conheça a realidade do nosso país. Porque hoje em dia tem-se criado apoios que não são medidos. Não se sabe se esses apoios foram eficazes. Se de facto vieram colmatar alguma coisa. Tem-se vindo a distribuir milhões de euros todos os anos em prémios de concursos e de ideias. E é uma distribuição mal feita e inconsciente. Simplesmente por dedução. Porque parece ser bom. É importante apoiar portanto vamos apoiar. Não interessa quem, onde, como nem quando. Por exemplo, até os fundos comunitários chegarem a Portugal todos parecemos estar interessados. Agora quando chegam, já mais ninguém quer saber como foram aplicados; se o projeto ainda se mantém em funcionamento; ninguém nos vem perguntar como é que o projeto está a correr com a empresa que ganhou o prémio há dois anos atrás e que foi um sucesso na altura. Mas estamos finalmente em entrar numa lógica de entender os resultados obtidos com essas verbas. E isso é de ressalvar. Recentemente apoiámos um projeto que mostra de facto esta lógica. Esse projeto objetivava a criação de dois postos de trabalho. Se esses postos não forem criados, o dinheiro volta para trás. Hoje em dia começa a ser assim. Mas até há algum tempo não o era.

2) O que é que os empreendedores portugueses estão a exigir junto das incubadoras?

Jorge Oliveira (iNOPOL): Nós temos uma dificuldade logo desde início. Todos olham para o iNOPOL como uma entidade pública. Dessa forma, acham que não deveria ser cobrado qualquer tipo de custo. Desde o espaço até ao apoio prestado. Nós apenas cobramos pela cedência do espaço e nem é aplicável a todos os projetos. Todo o apoio prestado não é coletado. Inclusive o próprio registo de patentes. Desde que seja nacional, o registo de patentes é isento para o iNOPOL. Depois, outras vezes, tendo em conta a nossa realidade – a de concurso de ideias – muitas ideias chegam aqui numa fase muito embrionária. Muito verde. O que acaba por acontecer é muito simples. Os próprios criadores dos projetos necessitam de que alguém lhes dê luz verde e valide as ideias. E não é uma perspetiva nada saudável. Isto nota-se sobretudo em projetos apenas com estudantes. Não há um fio condutor credível e a componente académica acaba por ser crucial para o não desenrolar da ideia. Ainda assim, a tendência do empreendedorismo em Portugal não é a de permitir a autonomia financeira. Por último, as pequenas empresas acabam por falhar porque também não

consolidam a ideia de uma forma assertiva. Apenas a lançam para colmatar o desemprego. E isso é tipicamente português. – o “desenrascanço”. “Não é o sonho da minha vida mas foi o que eu encontrei para me desenrascar porque eu vou precisar de fazer alguma coisa. Emprego não tenho. De outra forma não me vou conseguir automatizar”. E o *empreendedorismo de necessidade* não é saudável e não produz bons resultados.

3) Como descreve o nosso ecossistema numa expressão?

Jorge Oliveira (iNOPOL): Rico mas descoordenado. Muito muito rico. É um dos melhores do mundo. Temos todo o potencial já instalado para suprir quaisquer necessidades. Temos uma distribuição eficaz de incubadoras pelo país. Não se pode dizer que há uma centralização sobre Lisboa. Temos incubadoras de base tecnológica em todo o país; Há incubadoras capazes de receber indústria em todo o país; Há incubadoras de base culturais e associativas em todo o país – Serralves por exemplo. Nós temos uma rede com um grau muito elevado. Nem se pode falar em falta de cobertura no interior em Portugal. Mas é preciso pôr essa rede a trabalhar. E sobretudo, evitar trabalho repetido e não especializado. Não faz sentido o iNOPOL desenvolver projetos tecnológicos já que existem incubadoras talhadas para essa área. Não se pode replicar o trabalho que se faz. E é preciso seguir esta lógica a nível nacional, não só na RIERC. Mas a oferta é, de facto, brutal. E com o dinheiro que se tem vindo a gastar podia-se fazer...eu sei lá o quê. Mas eu sei lá o quê!

Jorge Conde – Presidente IPC

1) Como avalia a recente tendência que envolve a criação de start-ups em Portugal?

Jorge Conde (IPC): Eu acho que sempre que estamos em períodos de menor empregabilidade, as pessoas têm mais tendência para criar o seu próprio emprego. E eu acho que nós nos últimos anos - talvez últimos dez anos -, referindo-me ao Ensino Superior, temos fomentado essa ideia nos estudantes. Que o ideal é criarem o seu próprio emprego, a sua própria empresa. E, portanto, acho de que alguma forma está muito na moda a palavra “Empreendedorismo”. Acabámos por criar empreendedores que querem ser donos do seu tempo e do seu futuro. A moda das start-ups vem então da falta de emprego e vem desta geração criada que quer ser dona do seu futuro. Provavelmente é um Empreendedorismo de Necessidade. Ou seja, na ausência de uma resposta do mercado de trabalho, virou-se para a sua própria empresa.

2) O papel das incubadoras é crucial para o sucesso das start-ups. Quais são as maiores dificuldades que as incubadoras manifestam hoje em dia em Portugal?

Jorge Conde (IPC): O principal obstáculo ao apoio de algum projeto, tirando algumas incubadoras de referência onde estão resolvidos a maior parte dos problemas de incubação, é não estar totalmente preparado para o papel de incubador. Não está preparado para fornecer um plano de negócios, a estratégia burocrática, a panóplia de processos...E portanto muitas das incubadoras acabam por dar pouco mais do que carinho. Um plano de negócios que prometa ao empreendedor saber qual é a resposta que um negócio daqueles pode ter e ao fim de quanto tempo estará efetivamente acima da linha de água e que permita retirar um salário confortável precisa de ser estruturado. E muitas das vezes nós não estamos a saber passar essa mensagem e portanto permitimos que se lancem no mercado determinados produtos cuja sustentabilidade não foi devidamente avaliada. Esta falta de estrutura apenas se deve ao amadorismo de como algumas coisas são feitas. Acho que a determinada altura não se faz uma avaliação concreta e a proliferação de incubadoras e de oportunidades de negócio é de tal forma grande que a determinada altura uma ideia que parecia ser inovadora deixa de o ser. Porque na mesma semana há mais quatro iguais a nascerem no mesmo espaço geográfico.

3) Por outro lado, quais são as exigências que os empreendedores portugueses manifestam junto das incubadoras?

Jorge Conde (IPC): O que mais precisam é exatamente isso: é que alguém lhes ensine o que precisam de fazer para criar alguma coisa sustentável. Todos nós temos alguma ideia que seja uma boa ideia de negócio. Mas de uma boa ideia a um bom negócio vai uma distância muito grande. Por outro lado, os jovens empreendedores não têm algumas noções básicas que são regras da boa gestão. Por exemplo, nós não podemos partir para um projeto convencidos de que conhecemos três ou quatro clientes. Nós temos de conhecer cem potenciais clientes. Que quarenta vão falhar. E que os outros sessenta são então o nosso alvo. Muitas vezes partem para um negócio só porque ouviram dizer que três ou quatro clientes de um determinado nicho de mercado estão muito à procura daquele assunto. Mas depois destes quatro clientes satisfeitos não sobram outros. Eu acho que aquilo que tem faltado de apoio aos empreendedores é esta visão no tempo, prolongada, e que lhes permita dizer que o negócio é bom ou não, que vai durar seis meses ou então muito mais, e que é ou não um bom parido para o futuro. Falta algum know-how para isso.

4) Quais são as maiores desvantagens do nosso ecossistema?

Jorge Conde (IPC): Eu não sei se há um motivo específico de um país. Se podemos separar nesse modelo. Mas eu acho que nós Portugueses temos excesso de empreendedorismo, excesso de voluntarismo e uma tremenda superficialidade naquilo que fazemos. E portanto não vamos à questão de fundo previamente. Que é ter noção de que o produto tem clientes, mas que esses clientes têm de ser sustentáveis. Por vezes não passamos da fase de start-up exatamente porque criámos um negócio que não tinha uma duração suficiente para lá do espectro de uma start-up. Criámos. Durou um ano. E fechou. Ainda temos outro grande problema. Nós chamamos empreendedorismo à grande capacidade que nós temos em copiar. Ou seja, em vez de criarmos um bom negócio alternativo, olhamos para um negócio que é bom e que se fizermos igual conseguimos fazer melhor. Andamos todos a atacar os mesmos clientes e todos a trabalhar no mesmo universo. E ser empreendedor e criativo é mais do que isso. É fazer coisas que ainda não foram feitas. É um excesso de descoordenação porque nós não fazemos uma avaliação das ideias suficientemente clara que nos permita demonstrar a sustentabilidade da mesma.

5) Quais os conselhos que poderia dar ao nosso ecossistema?

Jorge Conde (IPC): Quem está a tentar montar uma empresa e um negócio precisa desde logo avaliar a sustentabilidade no tempo da sua ideia. Nós não temos essa noção e fazemos isso com a Saúde, com a Justiça, com o Ensino Superior, com tudo. Basta ver que o nosso país nos últimos anos viveu ao ritmo dos ciclos políticos. Hoje fechamos um determinado serviço e amanhã reabrimos. É preciso observar se aquilo que estamos hoje a criar faz sentido daqui a cinco, dez anos. Porque se não fizer sentido nós não vamos ter negócio. E ainda assim, é preciso avaliar se estamos a acrescentar valor e não apenas a criar um negócio paralelo a outro. Que não é uma cópia de um outro qualquer. Temos de ser verdadeiramente inovadores e ciosos do processo de criação. Não vou projetar uma ideia só porque me parece lucrativa e porque está fora da minha zona de conforto e da minha zona de felicidade. Porque, caso contrário, mais dia menos dia eu vou encostá-la. Mais dia menos dia eu não vou ter vontade de potenciar aquilo. Deixa de ser uma coisa que me interesse. E portanto a determinada altura eu vou descorar um conjunto de procedimentos de gestão que vão fazer com que aquilo deixe de me interessar. Não é porque eu estudei gestão que eu consigo montar um negócio. Não é porque eu estudei engenharia que eu consigo montar um negócio ligado à engenharia. Eu preciso de ter um conjunto de know-hows interligados para ser verdadeiramente inovador e diferente dos outros.

6) “O maior desafio do empreendedorismo em Portugal é passar da fase inicial para a fase de crescimento”. Adelino Costa Matos, presidente da ANJE (Associação Nacional de Jovens Empresários) veio a público afirmar esta ideia. Podia comentar?

Jorge Conde (IPC): Concordo plenamente. Nós chegamos à criação das empresas de uma forma muito fácil. Hoje o país tem um sistema muito fácil de criar empresas. Hoje com o aparecimento das empresas que trabalham no mundo virtualizado é tudo muito fácil. Qualquer ideia pode dar um negócio. Mas uma coisa é termos um negócio. Outra é que esse negócio gere valor e deixe lucro. E portanto o grande problema não é a criação do negócio. É manutenção dessa ideia. Há uma coisa curiosa: quando pede uma fatura num restaurante repare no nome da empresa. Chega a um restaurante que na porta tem um determinado nome e depois quando pedimos a fatura o nome não tem nada a ver. E muitas das vezes isso tem uma razão de ser. Que é a “Empresa Na Hora”. As pessoas quando aderem a este programa têm que aceitar um nome que está numa lista. E portanto da lista com cem nomes, quinhentos nomes (não faço ideia), as pessoas têm de escolher um desses

nomes. Este excesso de facilidade que há em criar uma empresa não encaixa na complexidade que é manter a empresa. Ou seja, criamos uma empresa. Abrimos a porta. Mas gerar valor e manter a empresa já é mais difícil. Se for ver o número de empresas que abre e fecha todos os anos em Portugal é assustador. Tem a ver exatamente com isto.

7) Como descreve o nosso ecossistema numa expressão

Jorge Conde (IPC): Nós temos um sistema criador, mas volátil e superficial. Nós não somos capazes de manter a maior parte dos negócios que criamos. E depois somos um país maioritariamente que presta serviços. Ligados ao setor terciário. Não criamos dentro da indústria. Abandonámos praticamente as indústrias que produzem bens e passámos a criar empresas que vendem serviços. Não é à toa que uma das marcas que mais vendemos em todo o mundo é o Turismo.

Francisco Amaral – Limpam'isto Co-Founder

1) In your opinion is it true that there is a movement within the start-ups appearing in Portugal? A trend with a certain business segment?

Francisco Amaral (Limpam'isto co-founder): I guess that's a good way to start off. I think that when you look to the start-up creation, it's quite difficult to call it as a movement. It's kind hard to distinguish a movement from a sector in itself. What I mean, is that the start-up is a movement in itself. The common trend regarding start-ups is the innovation mark. And this is a particular concept very important to take into consideration. I think that this start-up sector is a movement in itself in Portugal. What you get from this sector is the innovation perk. However if I would need to attribute a specific segment inside the start-up companies appearing in Portugal I would say that it is the digital economy. And I found an explanation for that. The millennial people that are building companies can bring this digital scope to the market. And the market lacks that. The deliveries in the food industry for instance. Companies that innovate in this field only cover the digital gap.

2) Do you think that Portugal is suffering from a “speculative fever” among the start-up's creation?

Francisco Amaral (Limpam'isto co-founder): Let's go conceptual again. Speculative in a way that you value companies and projects way over from what they truly value, yes. I think that this is a correct way to evaluate that speculative fever. There's an awesome word for that: Tribes. This is coming up in Sociology and it is quite interesting to look deeper. Tribes are people that follow companies in everything they do. They are really understanding the value that the company adds to the society. And I think that sometimes this creates an overstimulation regarding the intrinsic company's value. And another comical insight is that: just because you have an app created, your business will be over evaluated. I remember a particular example. In this summer, a friend of mine came close to me and said that a new start-up had been founded. He said an awesome start-up. And I reinforce his statement. Namely, it was a start-up that you could call a guy to bring you a “Bola de Berlim”. And the guy was amazed with that concept. I was wondering why he was astonished with that. The thing is that it's not just simply because I have an app that my business will be viable.

3) Do you consider that there are non-governmental incentives in Portugal able to foster the entrepreneurial activity?

Francisco Amaral (Limpa-m'isto co-founder): I think so. Well I think that there are a lot of companies that want to enter in this market. You open a tab in the internet and you find a lot of advertisements saying that there are a lot of competition among start-ups. And this attracts other companies that want to support those start-ups. From my experience I never felt without support, if I would need it. Which is an important topic. I think that a lot of people think they need huge support to start up and to lift up a company. And sometimes you just need to get your hands dirty. I feel a lot of people that is pampered in a way that we admit things as granted. I've been in five entrepreneurial competitions. I just won one of them. However, I realized that the value created from the other four were much bigger rather from the one I have won. And again, I never felt I would need to participate in them in order to materialize my idea. You just need a mentor that can guide your project. One day I was talking with José Epifânio da Franca and he was telling like "here in Portugal we tend to value our companies and our start-up movement a lot, but we are a kind of trash market. You can get five hundred thousand if you really make an effort. But could you get five million? Fifteen? That's where the social value is".

4) How well is Portugal covered with non-governmental entities (as hubs, incubators, accelerators programs and business angels)?

Francisco Amaral (Limpa-m'isto co-founder): It depends on the type of project that you are building. I would say that we are not prepare to guide the new Apple or the ne Uber creation. Portugal is not able to foster big projects with a lot of value.

5) Do you consider the early stage the more complex period of a start-up life? Do you think that it is an obstacle in itself?

Francisco Amaral (Limpa-m'isto co-founder): Again let's get conceptual. Complex? Well that's tricky to access what complex is. Starting up is the more difficult one. Because if you fail in that stage you are able to advance on it. Simple as that. And this is a fact. Much more than an opinion. And yes I think that it is an obstacle in itself. In a way that wither you start or you don't. We get a lot of pressure from our education. And we cannot fail! We were taught not to fail. That's from the educational structure. I feel a lot of people that to start up they want to start with everything known.

They want to go on and do not want to get their hands dirty. You need to start but you don't need to know everything. Fail is part of the process. You don't need to feel pressured. Over time, and that's why the first step is so important, you will get expertise and you start to get some more view enabling you to use more efficient approaches. At that time, complexity becomes simplicity.

6) What were the major obstacles you faced during the Limpa-m'isto foundation? Do you consider the early stage was the most critical? Why?

Francisco Amaral (Limpa-m'isto co-founder): That's a perfect example. So main obstacles. These are basic arguments but they are all true. Team work. To get work with people you are not so costumed to work with. I catch this phrase a lot: "It's better to make friends in business than to make business with friends". This is my first intake. Some years ago when I was starting to build a company with a friend of mine, I started off by creating businesses with friends. And soon I realized personal life can cross with your professional one. And can kill the company. I learnt from that and on Limpa-m'isto, I took the right step trying to become friend of my colleagues. And the main obstacles came all from this one: to communicate efficiently, to split tasks efficiently and learn how people react in pressure situations. It's really really hard. Overall, team work and communication were the major difficulties. And so, the initial period was the more complex. Like nowadays, we lost some partners. The project only works with three people at this moment. From the initial seven we are only three. And now we have a major problem. Our cleaning lady had a car accident and we lost like four people that work with her. She used to drive them to the city centre for instance. And in an early stage we would be dead. We wouldn't have enough people to cover the cleaning services. But since it happened recently, I now have the context and the expertise to know how to tackle this problem. And by doing so it's easy to resolve it. Surviving the first year is crucial.

7) What kind of non-governmental support do you demand?

Francisco Amaral (Limpa-m'isto co-founder): University came as an important support. We focused on our universities. We were all good students and we didn't have the time knocking the doors in Lisbon for some offices and to get more contacts. And since we were almost always at the university, and by doing so we met each other there.

8) Overall, how would you describe our ecosystem and what are the required approaches to improve it?

Francisco Amaral (Limpa-m'isto co-founder): Naive. I think we are naive regarding the way we look to this subject. We are in a bubble that we call Portugal where start-ups would not get that big. Unless they look out and establish outside Portugal. We are still naive to think that start-ups can be a huge thing in our country. Portugal will always be Switzerland of Finance in a way that it's not there that things happen but things go around there.