

## BUSINESS INNOVATION SYMPOSIUM (E6)

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## THE BIRTH PROCESS OF START-UPS IN SPACE

**Abstract**

SMEs represent more than 99 percent of European businesses. Their performance is crucial for the future growth and competitiveness of the European economy. As SMEs are key in innovation and drivers of economic growth, it is worth examining the birth process of SMEs.

Space presents an atypical business environment due to the significance of institutional funding, the integration and verticalisation of the sector, and the high investment barriers. This contribution studies start-up space companies and the challenges they face. Solid ideas need to be complemented by a strong business plan in a sector that is considered to be restricted. Identifying target markets and evaluating their attractiveness is the first hurdle.

The first external issue is the search for and eventual access to venture and/or public capital taken into account the entry barriers to be overcome. Distribution of risk and intellectual property rights present additional and continuous issues to space SMEs. Effective market access and penetration is especially challenging as established primes effectively control the accessible market. Case studies are used to demonstrate what the key success factors are for space start-ups.

Furthermore, insights are provided on how space SMEs can be supported by the public sector. The governments on the European, national and regional level can pursue the increase of demand of satellite applications and services. The public actors on all governance levels have the prime responsibility to facilitate the expansion of innovative SMEs by reducing bureaucratic barriers, and fostering development of innovative products and services. Finally, they can highlight the use of SME support mechanisms at national and European level for space start-ups.