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## Debate about 15 million Kroner (\$2 million) new money for entrepreneurs

**MIT has helped VTU develop a project for 25 Danish entrepreneurs, which VTU Minister Helge Sander wants to launch in the beginning of the new year**

(VTU is Denmark's ministry of Science, Technology and Innovation).

***Entrepreneur*** (by Anders Krab-Johansen and Nikolaj Sommer)

The government wants to get DKK 15 million into the Fiscal Year 2006 budget to support entrepreneurs. The money will be used for development and training of 60-70 selected high-rated entrepreneurial companies in the realm of IT or biotech which need help to grow rapidly.

Minister of Science Helge Sander explains that the program has been developed with the help of the staff of the M.I.T. Entrepreneurship Center, at the renowned American university M.I.T., which has had a hand in similar international development projects. The next step is to secure the money in the budget and invite tenders from Danish teams to establish a small, independent office that will act as a public-private partnership to help entrepreneurs.

“We have worked with the M.I.T. Entrepreneurship Center and put together a five year business plan. We want to remedy the main problem which we have in Denmark right now, namely that only a few high-tech start companies actually make it to become rapidly growing enterprises with a lot of employees and a high turnover,” says VTU Minister Helge Sander.

### **No talk of state support**

The minister stressed that this is not an example of state support. The project will be a public-private partnership. The offer to help entrepreneurs with management, financing, and global sales is going to be given openly and publicly; all high-potential companies may apply. The idea is a five year program which altogether will cost the state 75 million kroner.

The program has the unambiguous objective that 25 of the chosen companies will each achieve a turnover of DKK 250 million within a span of 5-7 years. Helge Sander hopes that the state's investment will come back in full measure that way.

The Managing Director of The M.I.T. Entrepreneurship Center, Mr. Kenneth P. Morse, believes that many companies can achieve a global break-through in the sales of their products if they learn about international management and sales, and obtain access to smart foreign capital.

“The problem that we want to solve is that there are many new Danish startups, but they don’t achieve their full potential. They get as far as 10-15 employees, come to a standstill, and then they die,” said Morse.

The DKK 15 million annual budget divides roughly into three parts: One third of the budget will be used on training and travel for participating companies. Another third will be used to support an additional employee in the selected companies who will get two years’ salary to develop new markets for the products of the company. The last third will be to pay 7-8 staff to help the companies and administer the program.

## **The training of managers with global ambition**

“We want to train the CEOs, help them to recruit great people, sell their products, and to have global ambitions,” says Morse.

Helge Sander admits that he is late in relation to the budget, which has already been proposed and has to be passed in November. He keeps hoping that the project can start in 2006, but otherwise he is prepared to wait.

Backing has been secured internally from the State Ministry, The Finance Ministry, and the Ministry of Economics and Business Affairs, but their political majority is not so secure.

The Danish People’s Party (DPP) is against adding more money for entrepreneurship endeavors right now. “We don’t believe it’s a good idea to use more money in this field at the moment. We have to see how the money that has already been spent works,” says Colette Bris, the spokeswoman on business affairs for DPP.

The Social Democrats (S) demand that a general overview of the effort with respect to entrepreneurship be established, but generally they are obliging when it comes to investing more money in this field.

“There is today a wealth of schemes for entrepreneurs. I don’t know anybody who has an overview. That is why I think that it is most important to procure that overview and then discuss what has to be done instead of all this budding (branching out). But, of course, we have a favorable attitude when it comes to entrepreneurship schemes,” says Lene Jensen (S).

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