Success Factors for Start-Up Growth in Austria: Insights from Founders and Support Institutions in a European Context

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Agenda

- Introduction
- Literature Review
- Methodology
- Findings
- Discussion
- Conclusions
- Recommendations
- Acknoweledgements

Introduction

- Start-ups as Economic Drivers
- Strong link between entrepreneurial activity and economic growth
- Austria lags behind in start-up density, venture capital and exit values
- Investigate success factors for Austrian start-ups
- Looking at founders' and stakeholder's perceptions and objective conditions
- Comparison to EU-wide data

Critical Success Factors

- Variables influencing profitability, sales growth, and operational efficiency
- Often multidimensional and interconnected
- Human Capital
- Access to Resources
- External Influences
- Internal Operations and Governance
- Customer-Centric Strategies
- Innovation and Differentiation
- Strategic Agility

The Austrian Start-Up Ecosystem

- Offers supportive environment
- Stable Ecosystem
- Close collaboration between academia, industry and government
- Bureaucratic complexity, regulatory density and frequent tax law changes
- Austria's entrepreneurial activity remains modest
    - Intention to start a business 7.5%
    - Early-stage entrepreneurial activity 6.6%
    - Fear of failure affects 44%
    - Shift from opportunity-driven to necessity-driven

European Context of Start-Up Ecosystems

- EU Financial Support
- EU ecosystem heavily depends on public subsidies
- Fragmented regulatory landscape
- Learning from Leading Ecosystems
- Success Stories in Europe
  - Netherlands ranks 13th in Global Startup Ecosystem Report
  - Estonia reduced administrative burdens throug digital-first policies
- Research Gap
  - Need to understand factors influencing start-up success

Methodology I

- Qualitative approach
  - Semi-structured, problem-centered interviews
  - Focus on founders and key stakeholders
- Data analysis
  - Qualitative content analysis
  - Initial coding categories deductive from research, refined inductive from interview themes
  - Two different researchers performed this analysis

Methodology II

- Findings were contectualized with EU-wide literature
  - Critical success factors
  - Finding similarities and differences
  - Areas for improvement
- Ethical considerations
- Limitations
  - Small sample size
  - Focus on Austria
  - Interviews focus on subjective perception
- Understanding start-up growth factors in Austria <-> Europe

Findings I

- Founding Motivation
  - Personal motives, problem-solving and autonomy
  - Face cultural barriers – failure
- Team & Human Capital
  - Diverse team with complimentary skills
  - Soft skills
  - Recruiting talent is major challenge
- Innovation & Product Development
  - Innovation beyond technology
  - Early customer engagement improves products
  - IP protection and scalability underprioritzed

Findings II

- Funding & Access to Capital
  - Public funding critical but insufficient
  - Venture Capital limited
  - „Valley of Death“
  - Mentoring programs help to navigate
- Networks & Support Structures
  - Provide access to knowledge, capital and partnerships
  - Informal networks
  - Fragmentation and regional disparities

Findings III

- Market Conditions & Growth
  - Customer feedback to improve products
  - Limited internationalization strategies
- Regulatory Framework
- Ambivalence of Success Factors and Challenges
  - Dual Nature of Factors, e.g. networks
  - Consistent Success Factors, e.g. human capital, early-stage funding
  - Systemic obstacles, e.g. Bureaucracy
  - Selective impact, e.g. access to resources

Discussion

- Founding Motivation - contrast to GEM 2024/25
- Team Dynamics and Human Capital
  - 77.7% of Austrian start-ups are team-founded
  - Austria lags in access to human capital
- Funding and Capital Access
  - Lacks scalable growth financing options
- Networks and Support Structures
  - Start-up hubs lack international visibility
  - Smaller networks limit opportunities
- Internationalization
- Regulatory Framework

Conclusion I

- Key success factors must be accessible and interconnected to function as enablers
- Compared to other EU countries
  - Lag venture capital, visibility and access to skilled labour
  - Rely heavy on early stage public funding
  - Good team diversity, networks and innovation capacity (technology)
- Cultural barriers around fear of failure

Conclusion II

- Perceptual barriers that innovation will „sell itself“
- Soft skills are underexplored in existing literature but central challenges
- Bureaucratic and Regulatory Challenges
- Selective accessibility of networks and capital

Recommendations

- Strengthen Austria’s venture capital market and international networks
- Address cultural barriers to encourage risk-taking
- Simplify bureaucratic processes and improve regulatory transparency
- Invest in soft skills development
- Need to address both structural and perceptual challenges simultaneously
- Future Research

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