

An Open Letter to Irish political leaders from Ireland's startup founders, investors and ecosystem leaders, January 2020

Signed by 50+ founders, CEOs, investors and startup leaders, representative of the 1,500+ product innovation companies across Ireland.

As a country Ireland has all the ingredients to be the best place in Europe to build and grow a startup*.

We are one of the most entrepreneurial nations in the EU, and we're seeing high-growth firms emerging as global players right across the country, from Skibbereen to Strandhill; and across sectors, from digital tech to life sciences.

However, these success stories are the exceptions to the rule. While starting up a company is relatively easy, it is increasingly difficult to scale. Ireland doesn't have a start-up problem; it has a scale-up problem.

Under Project Ireland 2040, the Government is preparing for population growth of one million people by 2040. The world and Ireland will have changed dramatically in twenty years time. To support this transition and our future prosperity, Ireland will need a balanced economy with a vibrant indigenous enterprise base. High impact entrepreneurship can have a transformative impact. Underpinned by the right policy environment, a vibrant startup ecosystem can help bring sustainable high-value economic activity to both rural and urban Ireland.

Thanks to the foresight of TK Whitaker, since the 1960s Ireland has become a world leader in attracting Foreign Direct Investment (FDI). As a country we have benefited greatly from sustained political commitment and policy focus on FDI.

However, when it comes to backing home-grown innovation, Ireland has taken a piecemeal approach to policy for startups. Our agencies are doing a great job for enterprise, but they're doing so in the absence of a political focus on startups. Meanwhile our European peers are doing everything in their power to grow their startup ecosystems. We have now fallen behind.

With a startup champion in President Macron, France has announced ambitious measures including favourable treatment of stock options for startups and a fast-track visa system. In 2016 Portugal appointed a political startup champion and has implemented a raft of initiatives, making it one of the fastest growing startup environments in Europe. Over the past 10 years the UK has transformed its ranking as a hub for startups with a series of targeted measures including an effective incentive scheme that has made it a leader in mobilising private early-stage capital into startups.

Looking to the future Ireland needs a more strategic industrial and enterprise policy. We need to ensure that we continue to attract and retain FDI, while improving the performance of indigenous companies.

That is why we - founders and startup leaders from across Ireland - urge you, our political leaders, to prioritise startups in the next Programme for Government.

The policy solutions, if not simple, are at least straightforward. Scale Ireland, alongside other organisations, have presented a variety of proposals that would help bring us in line with our peers. These range from strategic initiatives like appointing a Startup Minister and developing a National Startup Strategy, to enhancing existing schemes that would make it easier for startups to compete for talent.

Ireland has been and will continue to be a world leader in attracting top multinationals to locate on these shores.

We now call on you, Ireland's political leaders, to have a similar level of ambition for our indigenous economy.

By creating the right conditions to support startups to scale, we can catch up on our European neighbours and foster the development of our own home-grown multinationals of the future.

Signed by Ireland's startup founders, investors and ecosystem leaders

**A 'startup' is different to a traditional SME in that it has innovation at the core of its business model. Startups are different in that they typically face negative cash flows in the early stages of business due to heavy investment in innovation followed by either failure or exponential growth, as they service a global need. They share unique characteristics and face unique challenges and therefore require targeted policy solutions. Learn more at www.scaleireland.org.*