European Entrepreneurship And Innovation

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Europe vs. Silicon Valley

Starting a new venture requires capital, and raising it depends on the environment in which the business is going to operate. In Silicon Valley, startups have limited options for getting funds, but with time, crowdfunding helps them. However, in Europe, businesses get funding at the start, but in the growing stages, it becomes difficult to get funding. In terms of early adopting customers, Silicon Valley has many early adaptors, and from the start, the business gets a lot of traffic and footfall. In the European market, the business has to prove its worth by constantly doing something meaningful and maintaining success.

In Silicon Valley, it is believed that innovation and talent can be created, so with the help of a growth mindset, locating and hiring technical and management talent is easy. However, Europeans think that talent is born, and because of this fixed mindset, locating talent is a little difficult. The regulatory barriers are more prevalent in the European market, especially in non-technical sectors than in Silicon Valley. Silicon Valley has better chances of scaling their business globally because they enter new markets rapidly while Europeans penetrate the market and then move gradually.

It is true that the terms "simple Entrepreneurship' and 'Complex Entrepreneurship' are appropriate and accurate descriptors for describing major differences between the Silicon Valley and European ecosystems. Doing business in Silicon Valley is much easier as compared to start-ups in Europe.

EU GDPR (General Data Protection Regulation)

General Data Protection Regulation is a rule that is passed under which data is protected and unified for individuals in the European Union. The residents and citizens of the EU have control over their personal records, and this is done to unite the environment for international business. Startups and companies operating in Silicon Valley and other areas of the USA are affected by GDPR because they are linked to individuals who are under the protection of GDPR. The EU residents, who are clients of US companies, have the protection of GDPR because of international public laws.

For example, the businesses dealing with immigrant employees from the EU have the direct implication of this law. They have to take care of the rights of those employees. In addition, businesses conducting online operations, especially those related to cybersecurity, should be careful about this regulation.

US vs. European Market Entry

The challenges EU companies face while entering the US market are commonly in the form of compliance with regulations. When companies like Einride, Starship, and Flixbus from the countries of Sweden, Estonia, and Germany, respectively, make an entry into the USA, they have to go through a few challenges. The legal approaches of both countries are different, especially in terms of data protection. These commercial purposes should be transferred while entering this new market. There are multiple strategic considerations that EU companies should follow. Multiple issues need to be handled carefully and with maturity in the USA market because the level of competition is high.

However, companies that can succeed in the US market can gain success anywhere because this market needs a level of sophistication in business. The young European employees bringing innovative business ideas to American customers have better chances of a bright future. Their work is appreciated because every type of contribution is accepted in the US market as far as it is positive. The overall marketing and management system of the USA is more organized and developed. Access to capital is made easy. The reputation of the American market is good in terms of business ethics and transparency.

Southeast Europe (Albania, Kosovo, Slovenia, Turkey) vs. Northern Europe (Sweden, Estonia)

The startup ecosystem is strong in Eastern Europe (Ciszewski, 2017). The startups of this region are focusing on technology and gaining global success. The networking with the overall world is strong. The efforts are placed on cross-market operations for better startup opportunities. The region of the country does not matter when the startup working has an innovative idea. However, some changes should be made depending on the customers' requirements.

The histories and cultures of these areas are different, so they also require an innovative approach. Turkey is doing great in the international market, and recently, the investments made in Turkish companies have increased on a global level. On the other hand, when we look at northern Europe, the Swedish companies are growing on a larger scale in terms of innovation. Although the population of this country is low, many startups were initiated here and are now global successes. This country provides incentives for newly established companies, and this also leads to a decrease in the overall tax rate, so people are motivated to initiate new businesses.

Estonia is a northern European country that is now focusing on generating more startups. Although the country is already doing good work from the entrepreneurial point of view, the trend is now followed globally. This country is on the stage of innovation-driven, and the potential for entrepreneurship is high here. Their framework and policy are great and make a big difference in the global economy. All these countries are doing well in contributing to startups, but northern European companies are making a high-quality effort, which is shown by their business stats. Regardless of differences in cultures and histories, they are performing better on their individual levels. This diversity serves them the best in overcoming the challenges.

References

Ciszewski, B. (2017). *A quick tour of Eastern Europe's startup hubs*. *VentureBeat*. Retrieved 15 March 2018, from https://venturebeat.com/2017/01/21/a-quick-tour-of-eastern-europes-startup-hubs/.