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Change Log

Version	Description of change
V 0.1	Initial version preparation
V X.X	

List of abbreviations

Abbreviation/Term	Description
CA	Consortium Agreement
D	Deliverable
DOA	Description of Action
EC	European Commission
EU	European Union
GA	Grant Agreement
KPI	Key Performance Indicator
MS	Milestone
PC	Project Coordinator
PO	Project Officer
PSC	Project Steering Committee
SAB	Stakeholders Advisory Board
WP	Work Package
WPL	Work Package Leader
XXX	Xxxxx



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Table of contents

.....	1
1. Executive Summary	6
2. Baden- Wurttemberg ecosystem	6
2.1 Overview of Regional Innovation Strategy	6
2.2 Strengths and Capacities of the Regional Ecosystem.....	19
2.1 Gaps and Weaknesses of the Regional Ecosystem	28
2.1 Specific Needs for Local Startups	30
2.3 Barriers for Women and Minorities in Accessing Innovation Support Services	31
3. References	33
4. Lithuania ecosystem.....	35
3.1 Overview of Regional Innovation Strategy	35
3.2 Strengths and Capacities of the Regional Ecosystem.....	35
3.3 Gaps and Weaknesses of the Regional Ecosystem	35
3.4 Specific Needs for Local Startups	35
3.5 Barriers for Women and Minorities in Accessing Innovation Support Services	35
5. Aragon ecosystem	35
4.1 Overview of Regional Innovation Strategy	35
4.2 Strengths and Capacities of the Regional Ecosystem.....	35
4.3 Gaps and Weaknesses of the Regional Ecosystem	35
4.4 Specific Needs for Local Startups	35
4.5 Barriers for Women and Minorities in Accessing Innovation Support Services	35
6. Latvia ecosystem	35
5.1 Overview of Regional Innovation Strategy	35



5.2	Strengths and Capacities of the Regional Ecosystem.....	35
5.3	Gaps and Weaknesses of the Regional Ecosystem	35
5.4	Specific Needs for Local Startups	35
5.5	Barriers for Women and Minorities in Accessing Innovation Support Services	35
7.	Northeast Romania ecosystem.....	35
6.1	Overview of Regional Innovation Strategy	35
6.2	Strengths and Capacities of the Regional Ecosystem.....	35
6.3	Gaps and Weaknesses of the Regional Ecosystem	35
6.4	Specific Needs for Local Startups	35
6.5	Barriers for Women and Minorities in Accessing Innovation Support Services	35
8.	Conclusions	35
9.	References	36
	List of tables	36
	List of figures	36
	Annexes	36
	ANNEX 1.....	36
	Regional report Baden- Wurttemberg ecosystem	36

Figure 1: Importance of the "Mittelstand": share of total economic indicators in Baden-Wuerttemberg in 2022, (Ministerium für Wirtschaft, Arbeit und Tourismus, 2024)	8
Figure 2: Innovation index 2024 countries / regions of the European Union, (Einwiller, 2025).....	10
Figure 3: Map showing the performance of EU Member States' innovation systems, (European Commission, 2023)	11
Figure 4: Performance of EU Member States' innovation systems (European Commission, 2023)	12
Figure 5: Development of startup incorporation in Baden-Wuerttemberg (2019 - 2024), (Startup Verband, 2025)	14
Figure 6: Startup incorporation on NUTS-3 region level 2024 (in brackets change related to 2023), (Startup Verband, 2025)	14
Figure 7: Share of startups self-identifying as "part of the green economy", Startup Verband (2025).....	15



Figure 8: Overview of federal grants and funding instruments available from the federal state of Baden-Wuerttemberg by startup stage (Ministeriums für Wirtschaft, Arbeit und Tourismus Baden-Württemberg, 2024).....	23
Figure 9: National-available programs for startup funding by startup stage (Bundesministerium für Wirtschaft und Energie, 2025)	24

1. Executive Summary

2. Baden- Wurttemberg ecosystem

2.1 Overview of Regional Innovation Strategy

Baden-Wuerttemberg (BW) is one of Europe's leading innovation hubs, combining a strong industrial base with highly developed R&D capacity. 5,6% percent of its GDP (around €615 billion in 2023) is invested in research and development, the highest R&D share in all of Europe. Additionally, BW records more patent applications per capita than any other German state. This innovative strength underpins Baden-Wuerttemberg's reputation as Europe's innovation leader region (Einwiller, 2025).

Geographically, BW is the third-largest German federal state with 35,748 km² and approximately 11.3 million inhabitants. (Ministeriums für Wirtschaft, Arbeit und Tourismus Baden-Württemberg, 2024). The state capital is Stuttgart, but the economic structure is polycentric, with prosperous mid-sized cities and a strong rural economy.

BW's innovation strategy builds on a long history of industrial leadership across several clusters:

- **Automotive:** BW is the birthplace of the automobile and remains a global automotive center. It hosts OEM giants like Daimler/Mercedes-Benz and Porsche, both headquartered in Stuttgart, and an extensive supply chain of over

1,000 SMEs (BW International, 2025). Around one-quarter of German automotive industry turnover is generated in BW. Today the cluster is shifting toward sustainable mobility e.g. e-mobility and autonomous driving, aligning with the region's focus on sustainable mobility in its innovation agenda (Staatsministerium Baden-Württemberg, 2025). State initiatives like e-mobil BW support this transformation toward electric and connected vehicles.

- **Mechanical Engineering:** Mechanical and precision engineering is the largest industrial sector in BW, often cited as the backbone of its economy. Every third machine manufactured in Germany originates from BW (BW International, 2025). The region is home to world-class machinery firms – from global players to “Mittelstand” hidden champions, producing everything from machine tools to robotics. Flagship firms include TRUMPF (industrial lasers), Festo (automation), and Voith (industrial systems). The state's innovation strategy reinforces this cluster via Industry 4.0 initiatives, fostering digitalization of manufacturing.
- **Electronics & ICT:** BW also has a strong electronics, electrical engineering, and ICT sector. It is home to tech conglomerates like Bosch (a leader in sensors and electronics) and Europe's largest enterprise software company SAP. The region's companies are major suppliers of electronic components and control systems for automotive and industrial use. A thriving ICT scene (e.g. around Karlsruhe and Stuttgart) complements these hardware strengths. Key focus areas include artificial intelligence and quantum computing – BW hosts Cyber Valley, a renowned AI research hub, and quantum technology programs, in line with its strategic focus on AI and digitalization.
- **Life Sciences (Medtech & Pharma):** The healthcare industry is another historic pillar. BW is the largest German region for medical technology and pharmaceuticals, and the second largest biotech hub nationally (BW International, 2025). Pharmaceutical companies range from big production sites like Pfizer's major facility in Freiburg) to many innovative SMEs. The region also boasts world-class research in life sciences e.g. Heidelberg's biomedical campus and the biotech hub around Tübingen, fueling startups in biotech and medtech. Health and care innovation is explicitly identified as a priority in the regional strategy.
- **Chemicals & New Materials:** The chemical industry has deep roots in BW, with strengths in specialty chemicals, materials, and coatings. The sector, grouped with pharma, represents the state's second-largest industry by revenue, comprising approximately 470 companies and 107,000 employees in BW. Going forward, BW's innovation strategy emphasizes sustainable chemistry and

bioeconomy aiming to modernize this sector through green chemistry, bio-based materials, and circular economy approaches.

- Greentech:** Greentech is a dynamic and fast-growing sector in Baden-Wuerttemberg, supported by a strong mix of industrial players, startups, and research institutions. The region is home to global firms as well as innovative SMEs and spin-offs working in renewable energy, hydrogen, storage systems, and efficiency technologies. Continuously, existing corporates transition their product portfolio and strategic orientation towards sustainable technologies to meet a changing business environment and serve tomorrow's needs. The state's strategy positions GreenTech as a core pillar of its sustainability transition, with priorities including climate-neutral technologies, circular economy models, and digital solutions for energy efficiency (Umwelttechnik Baden-Württemberg, 2025).

These clusters evolved over decades and even centuries, creating a diversified industrial base. A notable feature is the role of the "Mittelstand", the small and mid-sized firms that form BW's industrial backbone. Many are so called "hidden champions", little-known outside their niche but world-leading in their products. They are often located in rural towns e.g. in the Black Forest or Swabian Alb regions yet competing globally. This decentralized network of suppliers and specialists has been key to BW's economic resilience. The Mittelstand firms maintain close ties with local research institutions in a two-way flow of innovation, and they famously invest in workforce skills and incremental innovation.

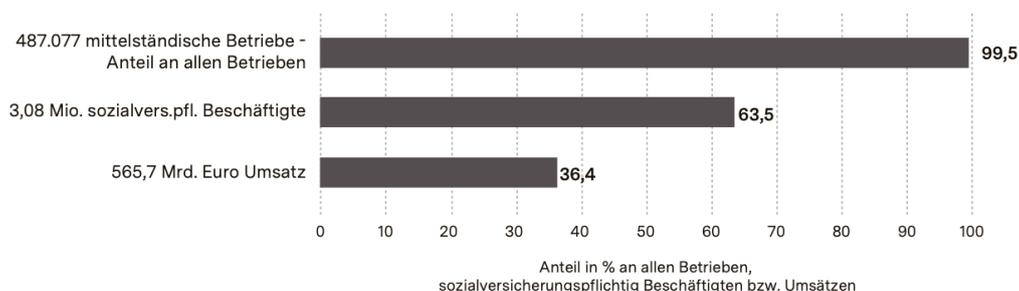


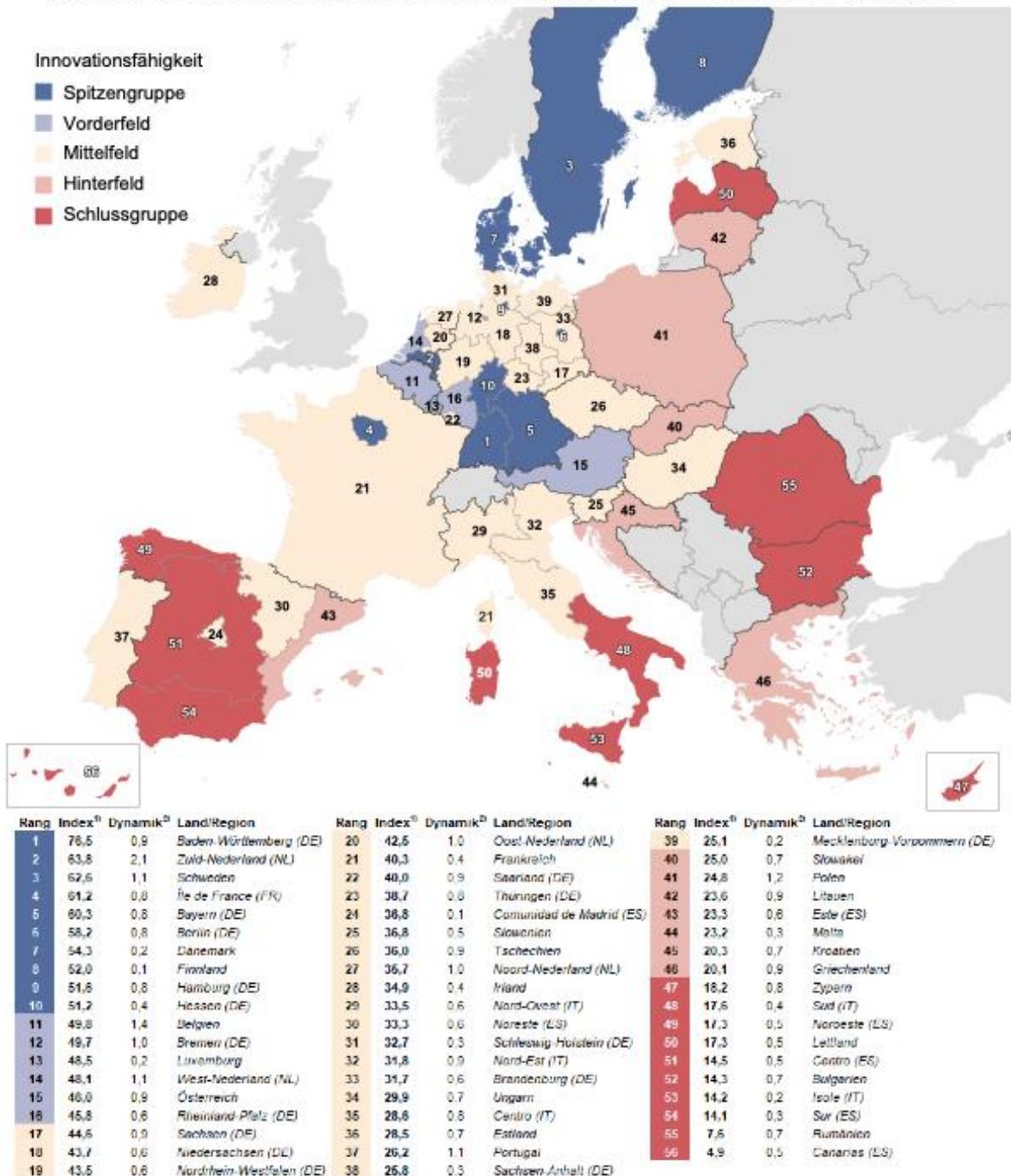
Figure 1: Importance of the "Mittelstand": share of total economic indicators in Baden-Wuerttemberg in 2022, (Ministerium für Wirtschaft, Arbeit und Tourismus, 2024)

Recognizing that today's startups can become tomorrow's Mittelstand, Baden-Wuerttemberg's policy explicitly aims to nurture the "Next Generation Mittelstand." Startups are one key driver to renew the economy. This ethos underpins BW's startup promotion efforts through its two initiatives Startup BW and NXTGN, positioning startups as a bridge between the region's research excellence and its industry needs. Notably, many BW startups are indeed deep-tech or B2B-oriented. For example, about

11% of all German green-technology start-ups are based in Baden-Wuerttemberg, punching above the state's population share (expaend, 2025). These young firms apply advanced tech (AI, materials science, biotech, etc.) to industry challenges, echoing the problem-solving legacy of the Mittelstand.

In both German and EU rankings, Baden-Wuerttemberg consistently emerges at the top tier for innovation. Its R&D intensity of 5.6% of GDP far exceeds the German average and EU targets. High annual R&D expenditure is supported by a dense network of research institutions. More than 100 non-university research institutes (e.g. Fraunhofer, Max Planck, Leibniz centers) are located in BW alongside around 70 universities and universities of applied science. This gives the region one of the richest research landscapes in Europe, leading to a strong pipeline of patents and high-tech talent. BW files the most patent applications per capita of all German. The European Commission's scoreboard classifies BW's sub-regions as "innovation leaders," well above EU averages in indicators like SMEs innovating in-house and public-private co-publications (Einwiller, 2025). In summary, BW enjoys an innovation leadership position akin to high-performing countries; if it were a nation, it would rank among the top innovators globally.

A strong connection to R&D and deep-tech characterizes BW's ecosystem across all key sectors. World-class technical universities (like KIT Karlsruhe, University of Stuttgart,...) and research centers collaborate closely with industry. This tight integration of science and industry is a strong asset to accelerate deep-tech development in BW's largest industrial clusters. BW's innovation strategy reinforces these linkages by investing in cluster networks, technology transfer programs, and research infrastructure so that even smaller firms can tap into cutting-edge research. The result is a virtuous cycle: strong industries fund R&D, R&D outputs spawn new startups and innovations, and some of those become the next generation of industry leaders fueling R&D themselves and in cooperation with the rich research landscape.



*) Der Innovationsindex 2024 weist das Niveau der Innovationsfähigkeit aus. EU-27, NUTS-1-Regionen in Deutschland (DE), Italien (IT), Niederlande (NL), und Spanien (ES) und sonst Länder. In Frankreich (FR) ist nur die Region Île de France berücksichtigt. – 1) Wertebereich 0 bis 100. – 2) Trend: > 0,25 aufwärts, ±0,25 seitwärts, < -0,25 abwärts.

Datenquellen: OECD, Eurostat, Europäisches Patentamt, eigene Berechnungen.

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Figure 2: Innovation index 2024 countries / regions of the European Union, (Einwiller, 2025)

Figure 5: Map showing the performance of EU Member States' innovation systems

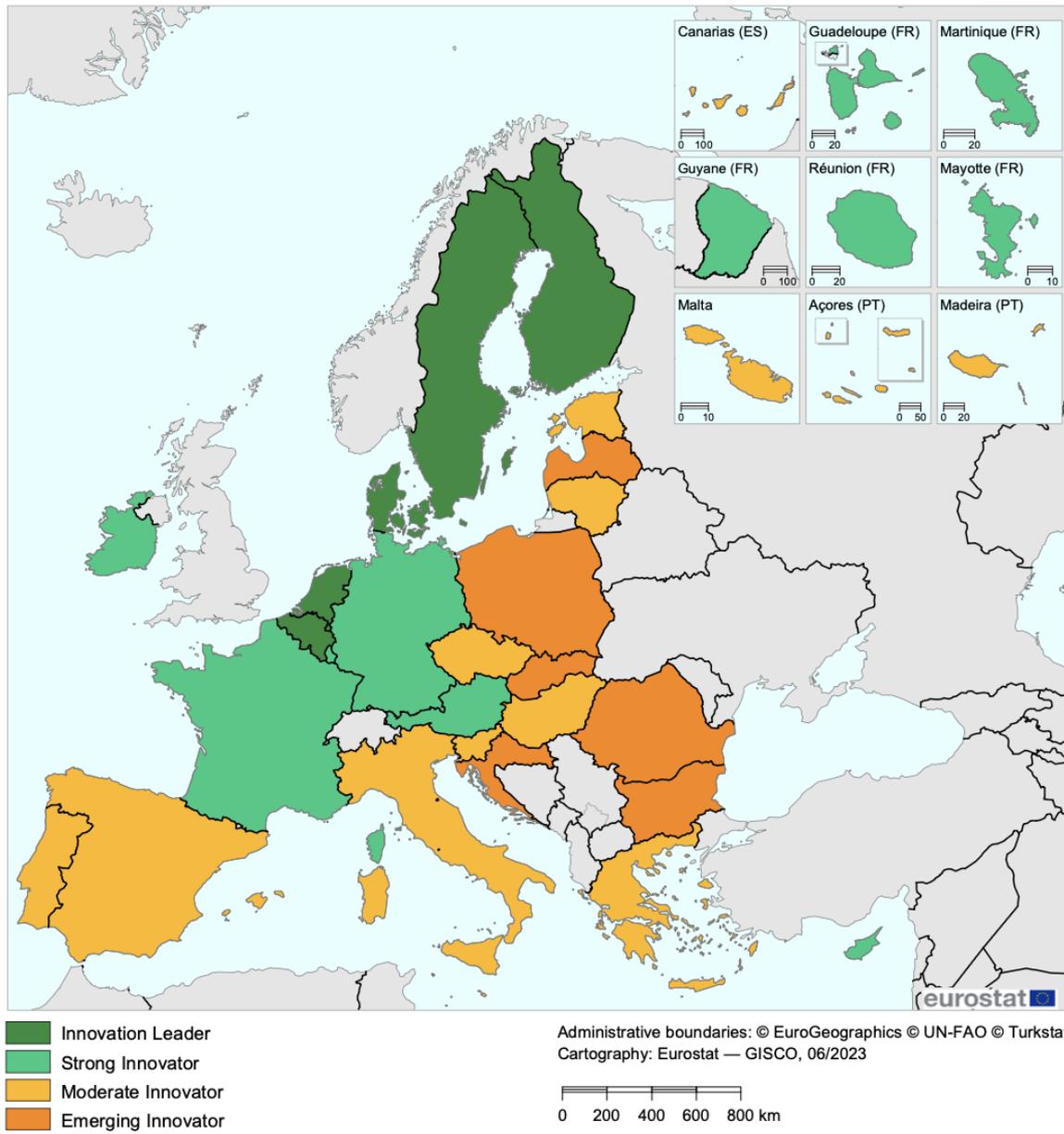
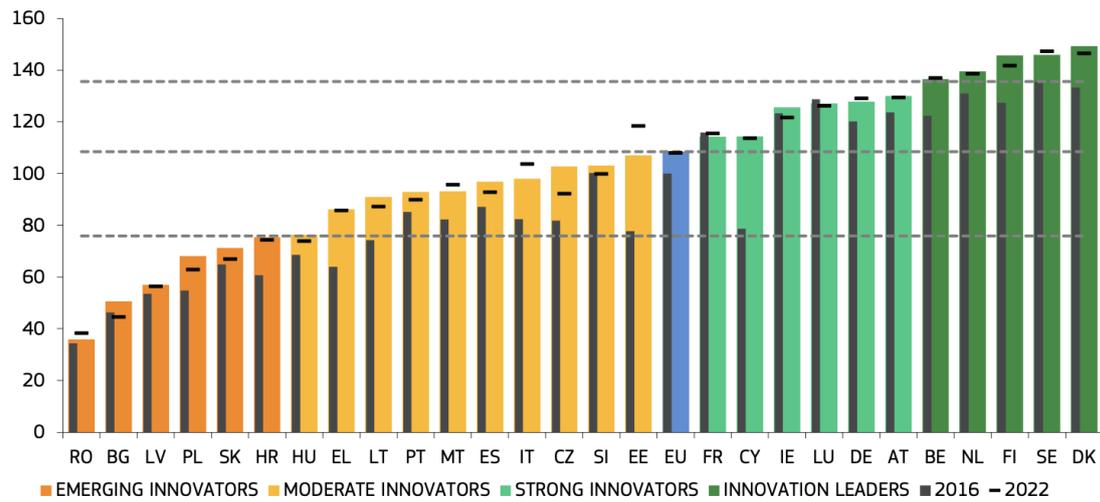


Figure 3: Map showing the performance of EU Member States' innovation systems, (European Commission, 2023)

Figure 1: Performance of EU Member States' innovation systems



All performance scores are relative to that of the EU in 2016. Coloured columns show countries' performance in 2023, using the most recent data for 32 indicators. The horizontal hyphens show performance in 2022, using the next most recent data. Grey columns show countries' performance in 2016. The dashed lines show the threshold values between the performance groups, where the threshold values of 70%, 100%, and 125%, when using the latest 2023 data, have been adjusted upward by multiplying with 1.085 to reflect the performance increase of the EU between 2016 and 2023 as the graph shows performance scores relative to the EU in 2016.

Figure 4: Performance of EU Member States' innovation systems (European Commission, 2023)

The startup ecosystem in Baden-Wuerttemberg represents one of the most significant and innovation-driven in Germany. While the exact number of startups nationwide remains difficult to pin down precisely, estimates put the figure at around 20,000 active startups in Germany. The German Startup Monitor (Startup Verband, 2024), which surveys roughly 10% of these startups, offers a highly representative view of the national landscape—and by extension, of Baden-Wuerttemberg’s role within it.

Baden-Wuerttemberg accounts for approximately 12% of all startups in Germany, making it one of the strongest startup regions alongside Berlin and Bavaria with 352 new startup incorporations in 2024 (Startup Verband, 2025). Also in BW, the founding activity is focused on large urban areas like Stuttgart, Karlsruhe, Mannheim-Heidelberg or Freiburg (see Figure 6: Startup incorporation on NUTS-3 region level 2024 (in brackets change related to 2023), (Startup Verband, 2025). The sectoral distribution is as follows: 28% of startups operate in Information and Communication Technologies (ICT), followed by 11% in medicine and health, 7.6% in food and consumer goods, 5.6% in education, and around 5% each in energy and mobility/logistics.

In terms of business models, 34% of Baden-Wuerttemberg’s startups identify as SaaS (Software-as-a-Service) providers, while 23% are focused on tech development, 12% offer platform-based services, and 10% specialize in software development. The entire regional ecosystem leans strongly toward B2B solutions, with over 70% of startups primarily serving business clients.

Sustainability has also become a defining characteristic of the ecosystem. In recent years, up to 50% of startups have identified themselves as part of the “green economy”.

Regarding founder demographics, about 20% of startup founders in Baden-Wuerttemberg have been women over the past few years, a rate that remains steady but shows room for growth. Meanwhile, founders with a migration background account for around 18% (Startup Verband, 2024).

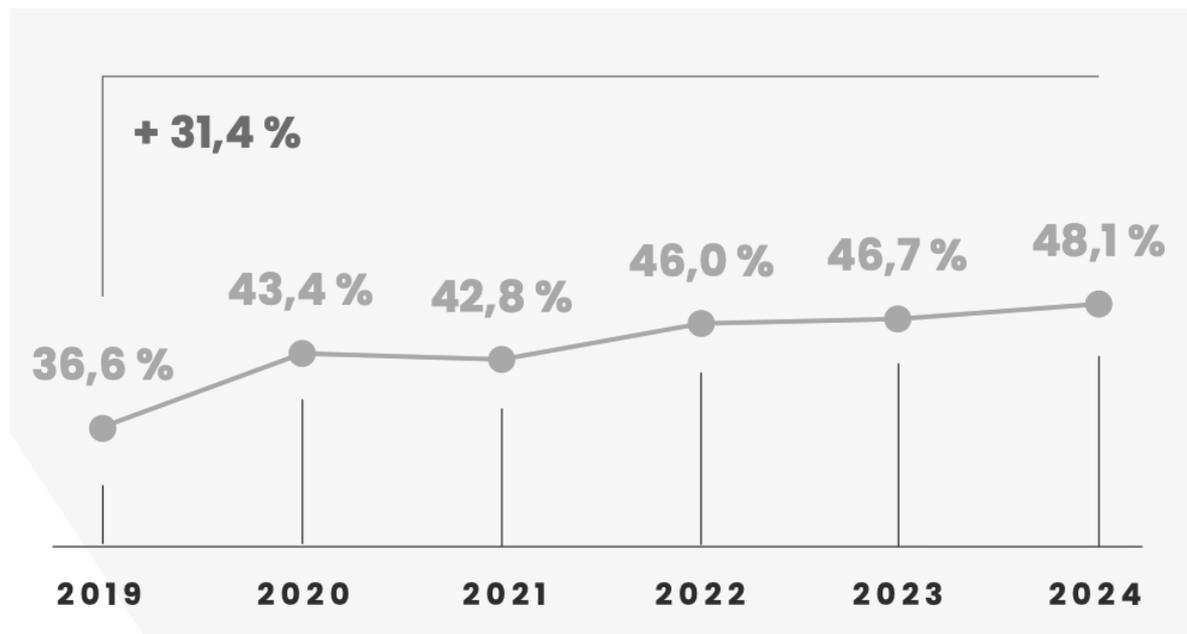


Figure 7: Share of startups self-identifying as "part of the green economy", Startup Verband (2025)

To support startups and innovation, Baden-Wuerttemberg deploys a comprehensive mix of regional, national, and European initiatives. These efforts involve the state government's own programs, German national schemes, and EU-funded instruments. Key policies and programs include the regional flagship initiative "Startup BW" which was launched by BW's Ministry of Economic Affairs in 2017. Start-up BW serves as an umbrella brand bundling all state-level support for founders from support measures to funding programs. Under this banner, a wide array of programs have been introduced (Staatsministerium Baden-Württemberg, 2025):

- **Start-up BW Accelerators:** A network of sector-focused accelerators across the state (e.g. in GreenTech, AI, life sciences, creative industries). Backed by ~€17 million in state funding, these accelerators have supported ~1,800 startup teams, helping them refine business models and become investment-ready. Notably, since 2021 the alumni of these accelerators have attracted ~€210 million in external funding and created around 2,900 jobs, indicating a strong leverage effect (Ministeriums für Wirtschaft, Arbeit und Tourismus Baden-Württemberg, 2024).
- **Start-up BW Pre-Seed:** A co-investment funding program providing very early-stage capital to startups, jointly financed by the state via L-Bank and private investors. Since its inception, Pre-Seed along with the related corona relief Project) has funded over 350 startups with more than €74 million, bridging a critical financing gap.

- **Start-up BW Innovation Voucher:** Small grants to help nascent startups develop innovative projects (e.g. prototyping or R&D). Over 700 startups have received these vouchers, with a total funding volume of €14.5 million. This early support stimulates product development and IP generation at the seed stage.
- **Start-up BW Young Talents:** An entrepreneurship education program targeting schools and universities, which has introduced nearly 15,000 students to startup thinking since 2017. Cultivating an innovative mindset in youth is part of the long-term strategy.
- **Start-up BW Local:** A competition and support scheme to foster **startup-friendly communities** across BW. Over 145 municipalities (including many rural towns) have participated since 2018, with 101 winning municipalities receiving recognition and grants to improve local startup conditions. This has helped spread startup activity beyond the big cities.
- **Targeted programs:** Several niche initiatives address gaps in the ecosystem – for example, “Start-up BW Women/Female Accelerator” launched in 2024 to encourage women entrepreneurs, the states federal agency “Start-up BW International” to help local startups expand globally, and new regional co-investment funds like “Start-up BW Innovation Fonds” and “Regio VC Initiative” to boost venture capital availability in BW. The state’s development bank L-Bank acts as anchor investor in many of these funds.

Overall, Start-up BW has built a dense support ecosystem – from idea-stage like awareness at schools, university incubators, through incubation, acceleration, to funding and internationalization. Its impact is evident in rising startup counts even outside major cities. The program aligns with BW’s broader goal of turning innovative startups into the next generation of Mittelstand companies.

Another key regional initiative is the innovation network NXTG backed since 2018 by the Ministry of Science, Research and Arts. NXTGN specifically knits together the universities, research institutes, and startup community across Baden-Wuerttemberg. It functions as an interface between academia and industry. The network runs programs like the Academic Seed Accelerator Program (ASAP BW) for students, and brings professors, students, and corporate partners into the startup fold. In 2023, the NXTGN consortium applied to the federal “Startup Factory” competition to become one of Germany’s designated startup hubs, aiming to position BW as a leading national platform for startup cooperation among science and industry.

Baden-Wuerttemberg’s startup ecosystem also leverages major national programs and frameworks such as:

- **EXIST – University Spin-off Grants:** BW is an active participant in the federal EXIST program, which provides grants to academic startup teams across Germany and is funded by the Federal Ministry for Economic Affairs and Energy. The program offers two tracks: “Gründerstipendium” with smaller but still generous stipends and project funding to support students, and “Forschungstransfer” a very large grant for researchers that launch companies based on their innovations. The University of Stuttgart and Karlsruhe Institute of Technology (KIT) are often among the top universities in Germany for securing EXIST grants. In addition to the individual grants, many BW universities have benefited from EXIST-Potentiale funding to build up their entrepreneurship support structures.
- **SPRIND – National state agency for disruptive innovation:** A national initiative which finances breakthrough projects across Germany.
- **Tech Transfer via Research Institutes:** Germany’s innovation system encourages institutes like the Fraunhofer-Gesellschaft, Max Planck Society, Helmholtz centers, and Leibniz institutes to commercialize research results. As a result, these institute groups have built in-house incubator and accelerator programs like Fraunhofer AHEAD or Helmholtz Enterprise that accompany high numbers of teams on the journey to spinning-off new ventures based on their research. Over the years, these institutes have spun off numerous startups often with institute staff as founders and have tightly interwoven with local industry. Studies note that the close relationships Fraunhofer institutes in BW have built with hidden champion firms are a key factor in regional innovation capacity (Schenkenhofer & Wilhelm, 2019).

Baden-Wuerttemberg actively utilizes EU programs and funds to support innovation and startups through additional offers:

- **European Social Fund (ESF):** The state channels ESF funding into entrepreneurship promotion, especially for improving skills and inclusion in the startup scene. For instance, the “EXI Startup Voucher” is co-financed by ESF funds alongside the state budget. ESF resources have also been used for accelerator programs and incubators that target unemployed or underrepresented founders, aligning with ESF’s mission of employment and social inclusion. By leveraging ESF+, BW extends the reach of its startup support to a broader demographic and ensures programs like mentoring, business plan training, and digital skill development are accessible.

- **European Innovation Council (EIC):** The EIC provides direct support to high-potential startups and SMEs through grants and equity notably the EIC Accelerator. Several deep-tech startups from BW have won highly competitive EIC funding. These EU funds not only inject capital but also connect BW startups to pan-European networks of investors and corporates.
- **EU Structural and Research Programs:** In addition to EIC and ESF, BW engages with the European Regional Development Fund (ERDF) for innovation infrastructure. Interregional programs like “Interreg” support BW clusters in collaborating with European peers. And through Horizon Europe, BW’s universities and startups partake in collaborative R&D projects and access European research grants. Furthermore, BW participates in European initiatives such as the EIT (European Institute of Innovation & Technology) communities (e.g. EIT Manufacturing, EIT Climate)

In summary, Baden-Wuerttemberg’s support ecosystem for startups is multi-layered and comprehensive. The state’s “Start-up BW” platform provides region-tailored programs and financing complemented by national government resources and policy frameworks, as well as EU initiatives bringing in further funding and integration into Europe-wide innovation networks. This combination of comprehensive and strong regional programs, national support, and European collaboration is a strategic advantage for BW.

Baden-Wuerttemberg’s innovation policy is strongly aligned with Germany’s national strategies and the broader European Union agenda, ensuring coherence across all governance levels. A core pillar of this alignment is the emphasis on tech transfer and research commercialization. Both the federal High-Tech Strategy 2025 and Baden-Wuerttemberg’s own initiatives prioritize converting academic research into market-ready innovations. Regional programs such as Startup BW and NXTGN, as well as EXIST, and partnerships with research institutions like Fraunhofer institutions are designed to support this objective.

Another key area of strategic convergence is the development of what is often referred to as the “Next Generation Mittelstand.” Like the national government, which promotes this through instruments such as the DeepTech & Climate Fund and the Future Fund, Baden-Wuerttemberg supports high-growth startups with initiatives like the BW Innovation Fund and the NXTGN initiative. Regional programs to foster entrepreneurship among young people, such as Startup BW Young Talents, further complement national education and startup culture campaigns. These parallel efforts aim to refresh the SME

base with agile, innovation-driven firms capable of sustaining Germany's long-term competitiveness.

At the European level, Baden-Wuerttemberg's Smart Specialisation Strategy (RIS3), its resource efficiency strategy as well its orientation to GreenTech (Ministeriums für Wirtschaft, Arbeit und Tourismus Baden-Württemberg, 2025), one of the largest market opportunities of the future are closely aligned with the EU's digital, green, and industrial transformation goals. The region's focus areas, namely AI, Industry 4.0, sustainable mobility, and health tech, resource efficiency and energy transition, and sustainable bioeconomy (Ministerium für Wirtschaft, Arbeit und Tourismus, 2020), mirror priorities under Horizon Europe, the European Green Deal, and the EU's Digital Strategy. This ensures that regional projects are not only locally relevant but also eligible for significant EU funding, enabling Baden-Wuerttemberg to fully participate in the twin transitions of digitalization and sustainability.

Beyond sectoral alignment, Baden-Wuerttemberg also reflects national and European priorities in its cross-cutting themes, including support for inclusive entrepreneurship, cluster policy, and innovation regulation. Programs promoting female founders, rural entrepreneurship, and cluster development echo EU and German initiatives aimed at building resilient, decentralized innovation ecosystems.

2.2 Strengths and Capacities of the Regional Ecosystem

Baden-Wuerttemberg's startup ecosystem is anchored by a dense network of research institutions, corporate innovation hubs, and startup support programs. On the research side, the region hosts several top universities and applied research centers. Major research universities, including the Karlsruhe Institute of Technology (KIT), University of Heidelberg, University of Tübingen, University of Stuttgart, University of Freiburg, University of Konstanz, and leading universities of applied sciences (e.g. Esslingen, Reutlingen, Hochschule der Medien Stuttgart) drive innovation and talent production. Many have strong technology transfer arms and startup offices (e.g. KIT's Gründerschmiede and the University of Freiburg's Founders Office) that actively support spinoffs. These universities collaborate with an array of national research institutes. Baden-Wuerttemberg is home to over 20 Fraunhofer institutes, multiple Max Planck institutes (e.g. in Tübingen for intelligent systems), Helmholtz centers (e.g. KIT), and Leibniz institutes. Regional applied research organizations such as Hahn-Schickard (microsystems and lab-on-chip technologies) and the (Center for solar and hydrogen

energy) (ZSW) further bolster R&D capacity. This rich research infrastructure provides a pipeline of deep-tech innovations and spinoff companies.

To harness academic innovation, dedicated tech transfer initiatives and funding programs are in place. Large institute groups like Fraunhofer operates the AHEAD accelerator and a €60 million Fraunhofer Technology Transfer Fund (FTTF) to seed spinoffs from its institutes. Fraunhofer's model itself mandates the largest share of its research revenues come from industry/public contracts, ensuring application-driven work. The Max Planck Society's Maximize program and the Helmholtz Enterprise initiative provide entrepreneurial training, grants, and incubation for scientists forming companies. Many universities received EXIST grants to establish startup centers on campus, and the state's Ministry of Science has launched INSPIRE BW Hubs – a platform of six regional hubs uniting universities to build startup ecosystems and infrastructure through 2028. These efforts ensure that research breakthroughs can be developed into startups.

The startup support track features a robust system of incubators, accelerators, and voucher programs under the state's Startup BW campaign. Budding founders can access EXI Startup Vouchers free of charge. Many universities and chambers run regional incubators and co-working spaces (e.g. Technologiepark Heidelberg, CyberLab Karlsruhe, InnoWerft Walldorf) that offer office space, mentorship and investor connections. Baden-Wuerttemberg also boasts 18 sector-focused accelerators under the Start-up BW Accelerators framework. These accelerators, operated by consortia of universities, corporates and economic development agencies, cover a broad range of fields and collectively form an important pillar of startup support. The current Start-up BW Accelerators and their focus areas include:

- SMART Green Accelerator (Freiburg, via Grünhof/FWTM) – energy, cleantech and GreenTech startups
- 4C Accelerator (Tübingen, run by Medical Innovations Incubator) – medical life-sciences (medtech devices, diagnostics, therapeutics, digital health)
- Creative Energy – Quantum Leap (Ulm, via TFU Ulm) – new energy solutions, storage, and quantum technology applications
- ARISE Accelerator (Breisach, via BadenCampus) – deep-tech and sustainability startups (e.g. IoT, cleantech)
- AXEL – Energy Accelerator (Karlsruhe, via fokus.energie e.V.) – energy transition technologies (renewables, energy efficiency)
- CyberLab Hightech Incubator (Karlsruhe, via CyberForum) – IT, artificial intelligence, IT security, and smart production (Industry 4.0)

- ESA BIC (Reutlingen & Friedrichshafen, via IHK Reutlingen) – space technology and satellite services (as an ESA Business Incubation Centre)
- FinTech Accelerator “Fintogether” (Stuttgart, via Boerse Stuttgart) – solutions for the financial industry (fintech and insurtech)
- Life Science Accelerator BW (Mannheim/Heidelberg, via Technologiepark Heidelberg & Next Mannheim) – biotechnology, pharma, medical technology, digital health startups
- M.Tech Accelerator (State-wide, via bwcon) – manufacturing, engineering, mobility and Industry 4.0 startups
- The “New Sandbox” (Stuttgart, via WRS) – creative industries and media-tech (at the intersection of media, design, software) with a sustainability focus
- Stoff im Kopf (Reutlingen, via Südwesttextil) – textile and fashion industry innovation (materials, circular fashion)
- Up2B Accelerator (Walldorf/Heidelberg/Mannheim, via HTP & innoWerft) – B2B industrial technologies and enterprise software
- AI Founders Accelerator (Heilbronn, via Campus Founders) – artificial intelligence startups and applied AI solutions [technologiepark-heidelberg.de](https://www.technologiepark-heidelberg.de)
- AI xpress Accelerator (Böblingen/Sindelfingen, via Softwarezentrum) – AI and machine learning startups
- Groundbreakers (Stuttgart, via HFT WiTech) – construction tech and proptech for sustainable building and real estate
- Food³ (Foodbrycke) (Stuttgart, city initiative) – food and nutrition innovation, including agri-food and alternative proteins
- Move + (Friedrichshafen, via ZF) – smart and sustainable mobility startups (connected and e-mobility solutions)

Each of these accelerators provides intensive coaching, prototyping support, industry networking to high-potential startups.

Baden-Wuerttemberg’s corporates also play a key role in the ecosystem via corporate innovation and venturing programs. Traditional Mittelstand companies and large enterprises alike have set up incubators, accelerators, or venture studios to tap into startup innovation. For example, energy utility EnBW runs EnBW Innovation/Enpulse, a venture-building unit and corporate VC that builds new startups and invests in external energy-tech ventures. EnBW’s €100 million New Ventures fund complements this by co-investing in startups focused on digital and sustainable infrastructure. In Freiburg,

JobRad, a successful scale-up in e-mobility, established the Startrampe venture studio to develop new sustainable business ideas in-house, from concept to spin-out. The Haufe Group an enterprise software firm based in Freiburg operates Haufe Ventures, which invests in HR and SaaS startups and runs an internal venture studio to pilot new digital products. In Heilbronn, the Campus Founders center, backed by the Dieter Schwarz Foundation, not only accelerates external startups but also houses a Venture Studio program that provides up to €100k and intensive hands-on support to seed-stage teams.

As mentioned in 0.2.1 several (high-)tech sectors underlie and drive BW's innovation ecosystem like automotive, mechanical engineering, electronics & ICT, life sciences, chemicals & new materials as well as GreenTech. Cluster activities are coordinated and further enriched through various sector specific federal state agencies like Umwelttechnik BW, BIOPRO, and others that actively build sector-specific networks and that offer networking events, consulting, knowledge and skill resources, and funding. In addition, Baden-Wuerttemberg International acts as an outward-facing agency connecting regional clusters to global markets and investors. It organizes delegations, often in partnership with the specialized cluster agencies. Another layer is added by national initiatives such as SPRIND - Federal Agency for Disruptive Innovation.

Baden-Wuerttemberg's startups benefit from a rich mix of public, semi-public, and private funding instruments that cover the entire lifecycle from pre-seed to growth. In the earliest phase, founders can tap public grants such as the EXIST "Gründerstipendium" and "Forschungstransfer" (federal grant for academic spin-offs) and the federal state's "Junge Innovatoren" program. The "Junge Innovatoren" scheme, run by the federal state government in parallel to EXIST, offers a similar stipend to support researchers starting companies out of universities or research institutes. These grants of approximately €120k for "Gründungsstipendium" und "Junge Innovatoren" for one year and up to €1,5mio for "Forschungstransfer for up to two years pay living and development costs and often are the first money in for tech startups. Another foundational support is the Startup BW Pre-Seed program, a statewide early-stage co-financing initiative. Start-up BW Pre-Seed provides convertible loans between €50k and €200k to promising new startups, co-invested by the federal state through its development bank "L-Bank" and a private investment partner. This instrument has a quick and founder-friendly process and is often used to bridge startups after initial angel funding or to overcome the first funding valley of death for tech and high-risk ventures and to lengthen their development timeline to become investment-ready for seed rounds. A sister program, Startup BW Pro-Tect, was introduced during COVID-19 to support startups in crisis, also via loans.

Once startups approach seed and growth stages, dedicated venture funds and public co-investment vehicles step in. The state's Seedfonds BW which is managed by MBG (Mittelständische Beteiligungsgesellschaft) invests in young high-tech companies often alongside the national High-Tech Gründerfonds (HTGF). HTGF has been very active in Baden-Wuerttemberg and Seedfonds BW complements it by providing additional equity to increase the round size. For slightly later stages, the VC Fonds Baden-Wuerttemberg (a public VC fund managed by MBG and L-Bank) can provide growth capital in Series A/B rounds. This fund invests in expansion-stage companies and typically acts as a co-investor with private VCs. MBG itself often takes mezzanine stakes in startups and scale-ups – effectively providing quasi-equity loans – to strengthen their capital base. For startups moving from seed to growth, the InnoGrowth BW program further adds capital: it offers investor-led financing where the state via L-Bank will match or provide subordinated loans to amplify private VC investments in innovative SMEs and startups. This enlarges Series A/B rounds and lowers risk for lead investors – a valuable tool for capital-intensive sectors (Startup BW, 2025).

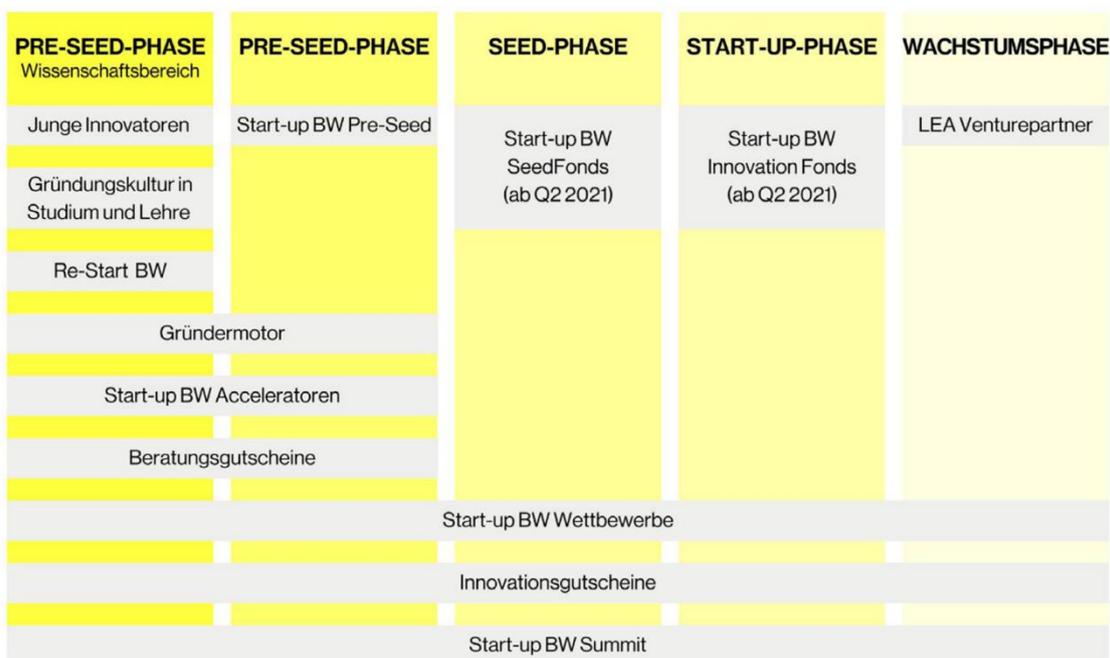


Figure 8: Overview of federal grants and funding instruments available from the federal state of Baden-Wuerttemberg by startup stage (Ministeriums für Wirtschaft, Arbeit und Tourismus Baden-Württemberg, 2024)

At the national level, Baden-Wuerttemberg startups can also leverage programs like the new DeepTech & Climate Fonds (DTCF) – a €1 billion fund established in 2022 under Germany's "Zukunftsfonds" initiative to scale up deep-tech and climate-tech companies. DTCF and the umbrella "Zukunftsfonds" are run by KfW Capital and are

expected to invest in later-stage rounds (Series B and beyond) alongside private VCs, addressing the growth-stage financing gap in Germany (Bundesministerium für Wirtschaft und Energie, 2025). Additionally, startups can benefit from the “Forschungszulage”, a R&D tax incentive. This research allowance provides a tax credit covering 25% of personnel and contract research costs for R&D, up to €1 million per year, effectively a grant in arrears that many tech startups in BW are now claiming to extend their runways. Mission-driven federal funding is available too: the SPRIND agency periodically runs innovation contests and funds radical ideas with grants or investments e.g. in quantum computing, energy storage, and the Deutsche Bundesstiftung Umwelt (DBU) offers the Green Startup grant of up to €125k non-dilutive funding for green startups.

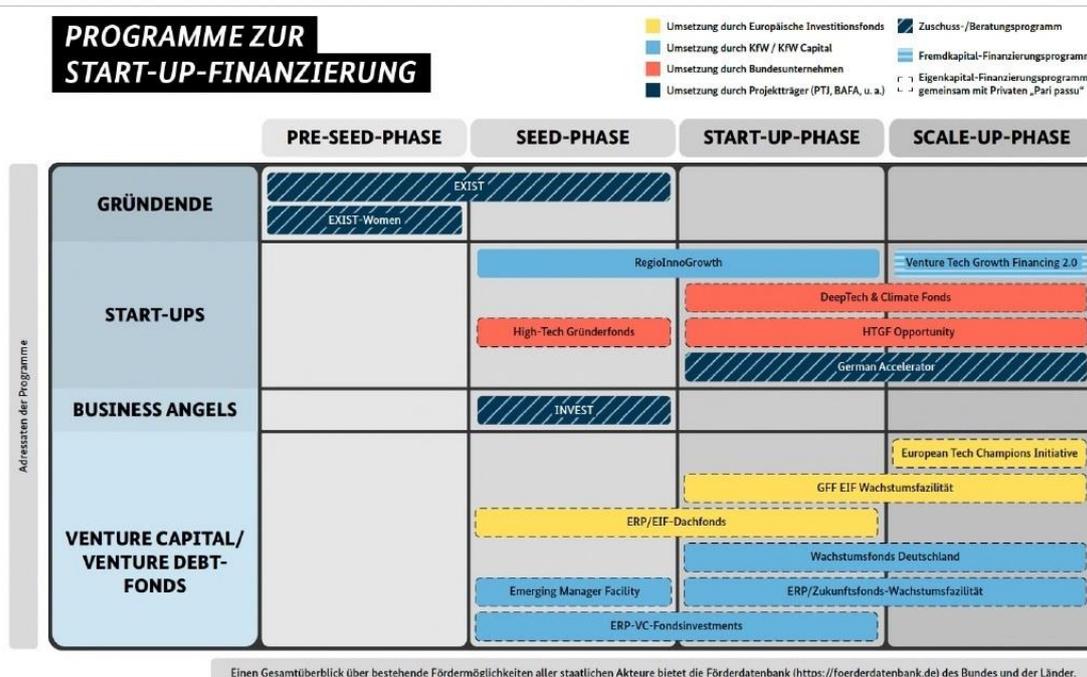


Figure 9: National-available programs for startup funding by startup stage (Bundesministerium für Wirtschaft und Energie, 2025)

Private risk capital is available in BW from very early stage to later stage investments. BW hosts an active business angel community, with organized networks such as Business Angels Region Stuttgart (BARS), CyberForum’s angel network in Karlsruhe, Black Forest Business Angels in Freiburg and groups around Lake Constance and Mannheim. Additionally, national business angel networks like Partners in Clime are active in BW as well.

Also, family offices, the region’s old entrepreneurial families, are active startup investors. A prime example is Dquadrat Equity (D²), the Stuttgart-based family office of

an industrial family, which invests its own capital directly into startups as a private equity/venture hybrid. Such family offices provide patient capital and industry connections to scale-ups.

The landscape now also features several Venture Capital firms either based in Baden-Wuerttemberg or highly active in the region. e.g. Mätch VC or FTTF (Fraunhofer Technology Transfer Fund) that specifically finances deep-tech startups using Fraunhofer IP with tickets from €250k (pre-seed) up to €5 million follow-ons. Other VCs in the region include LEA Partners in Karlsruhe, a growth and buyout investor that also runs a seed fund that is anchored by L-Bank. In the ClimateTech/Greentech arena, European funds like Planet A Ventures and World Fund have been actively investing in BW startups. Planet A, based in Hamburg, and the €350M World Fund, based in Berlin both target climate impact startups and have joined rounds in companies like Ineratec – which raised a € 116 million Series B in 2022 led by an international syndicate including these climate funds. Meanwhile, the region’s strong engineering base has attracted also many international VCs. On the later-stage front, the Zukunftsfonds is channeling capital into German VC funds and scale-ups, and the new EIC Accelerator from the EU has already given grants/equity to several BW deep-tech startups, offering up to €2.5M grant + €10–15M equity for game-changing innovations.

Finally, public loan and mezzanine programs round out the financing ecosystem. The state bank L-Bank and federal KfW provide startup loans often used for less VC-attractive businesses or to supplement equity. L-Bank’s Startfinanzierung⁸⁰ loan, for instance, offers up to €100k with 80% guarantee for new businesses. MBG manages a mezzanine fund that can inject silent equity up to € 2 million, which many growing startups use to avoid dilution. These debt-based tools are important for capital-intensive hardware startups or those aiming for steady growth without immediate VC. In summary, Baden-Wuerttemberg offers a comprehensive funding escalator: from non-dilutive grants (EXIST, Junge Innovatoren, DBU) to pre-seed and seed co-investments (Pre-Seed, HTGF, Seedfonds BW), to scale-up capital (VC funds, Zukunftsfonds, EIC) and even debt/mezzanine support.

The contribution of universities and research centers to Baden-Wuerttemberg’s innovation ecosystem cannot be overstated. The region’s academic and scientific institutions are not only knowledge generators but also active launchpads for new ventures. Universities and major research centers play a dual role: conducting cutting-edge research and facilitating the transfer of that research into industry and startups.

Firstly, these institutions fuel the ecosystem with **human capital and IP**. With universities like KIT, Stuttgart, and Tübingen each producing hundreds of STEM graduates and PhDs annually, startups have a steady supply of skilled talent. Many students engage in entrepreneurship programs or write thesis projects that become

startup ideas. Several BW universities have integrated innovation into their curricula. The result is a high rate of spin-offs.

Research institutes like Fraunhofer, Max Planck, and Helmholtz centers also emphasize commercialization as described previously. Many startups are rooted in Fraunhofer inventions. Additionally, the research institutes in BW often license patents to startups or larger companies.

Moreover, the presence of several Excellence Clusters and innovation networks centered at universities ensures continuous breakthrough research that can seed future startups. For example, the Cyber Valley initiative in Tübingen and Stuttgart, Europe's largest AI research consortium, not only produces world-class AI research but also actively encourages researchers to found companies.

In summary, universities and research centers in Baden-Wuerttemberg serve as engines of the startup ecosystem, providing innovation input facilitating technology transfer via licensing and spin-offs, and even directly investing or incubating new ventures. Their role is reflected in the state's outstanding innovation outcomes and the continuous pipeline of quality startups emerging from campus.

Following are some of the success startups from BW from the last years:

- **constellR** (Freiburg, founded 2020): A spacetech-agritech startup offering satellite-based thermal infrared imaging to monitor land surface temperatures. Its unique microsatellite constellation enables precise irrigation management and crop optimization. Initially funded by Startup BW Pre-Seed now backed by FTTF and Lakestar, constellR launched its first satellites in 2023.
- **carbonfuture** (Freiburg, founded 2020): Operates a carbon removal platform with end-to-end MRV (monitoring, reporting, verification) for projects like biochar and direct air capture. Known for high transparency and traceability, it serves clients such as Microsoft and Swiss Re. Raised €5.5 million in Series A.
- **Ineratec** (Karlsruhe, founded 2016): A cleantech spin-off from KIT developing modular reactors for Power-to-Liquid e-fuels. Its synthetic fuels offer a sustainable alternative for aviation and shipping. After raising \$129 million in Series B, it is building one of Europe's largest e-fuel plants near Frankfurt.
- **cytena** (Freiburg, founded 2014): A MedTech spin-off from the University of Freiburg that created the first single-cell printer for biotech research. After global sales growth, Cytene was acquired by Sweden's CELLINK (now BICO) in 2019 for €30 million.
- **proservation** (Stuttgart, founded 2021): Develops sustainable packaging made from grain husks as a biodegradable alternative to Styrofoam. The material is compostable and shock-absorbent, serving electronics and appliance sectors.

Backed by BW Circular Economy funding and impact investors, and Startup BW Pre-Seed, it won the 2025 German Sustainability Award.

- **recyda** (Freiburg, founded 2020): A SaaS company offering recyclability and compliance assessments for global packaging regulations. Clients use its eco-score engine to streamline packaging design across markets. Raised €6.3 million in Series A.
- **TRIQBRIQ** (Konstanz, founded 2021): Produces modular timber construction blocks made from calamity wood, enabling circular and carbon-negative buildings. Its building blocks require no adhesives or metal, and can be reused.
- **Dermagnostix** (Freiburg/Munich, founded 2021): A diagnostics startup with a lab-on-a-chip platform for rapid skin disease identification using DNA markers. Its portable LabDisk system enables point-of-care diagnostics in under 2 hours. Raised a €2.5 million EIC Accelerator grant.
- **idana** (Freiburg, founded 2016): A health IT platform for digital patient history collection, improving efficiency in clinics. Funded by EXIST, angels, and BW Pre-Seed support.
- **Organifarms** (Konstanz, founded 2020): Builds robotic systems for automated indoor strawberry harvesting in greenhouses. Helps solve agricultural labor shortages with AI-based picking and sorting. Also initially funded by Startup BW Pre-Seed
- **nanoshape** (Karlsruhe, founded 2022): A KIT spin-off developing antibacterial nano-coatings for medical implants to reduce infection risk. Its surface nano-patterns inhibit bacterial colonization without antibiotics. Backed by EU Horizon funding and angel investors.
- **detagto** (Stuttgart, founded 2021): Offers a “tagless” traceability solution using AI and computer vision to identify parts via their unique surface structures. Originating from Hahn-Schickard and University of Stuttgart, its technology enables digital part fingerprints without QR codes or RFID. Received EXIST funding and the CyberOne Award.
- **medicalvalues** (Karlsruhe, founded 2019): Provides an explainable AI-based decision support system for diagnostics, combining lab data, symptoms, and imaging. Its “Diagnostic Data Mapper” assists clinicians in identifying complex diseases.
- **Wiferion** (Freiburg, founded 2016): A pioneer in wireless charging for industrial vehicles and robots, spun out from Fraunhofer ISE. Its system enables high-efficiency, contactless charging and has been deployed in 8,000+ units globally. In 2023, Tesla acquired Wiferion’s e-mobility business for integration into autonomous charging systems, while its industrial unit was sold to PULS Group.

Beyond these examples, Baden-Wuerttemberg has yielded several later-stage success stories and unicorns that inspire the ecosystem like TeamViewer, CureVac, Immatix, and Volocopter.

2.1 Gaps and Weaknesses of the Regional Ecosystem

Baden-Wuerttemberg's startup ecosystem faces several structural gaps. Financing is a key weakness. Only about one-quarter of the state's founders are satisfied with access to capital, and 57% of local startups have never raised external funding (versus 43% nationally) (PwC, 2022). This reflects a far weaker private investment and venture capital network than in German hubs like Berlin or Munich, limiting startups' growth prospects. This becomes especially significant in later stage and growth funding. There is limited access to later-stage capital (Series B and beyond) from domestic investors and there is little local venture funds that can lead large Series B/C rounds. As a result, successful scale-ups often turn to out-of-state or foreign investors. This problem is also Germany-wide (Startup Verband, 2024).

Public financing remains the most prominent funding vehicle for startups with almost 50% of all startups using it as preferred source of funding. One the one hand due to its attractive, often non-dilutive characteristics but also to substitute less available private risk capital (Startup Verband, 2024).

Talent acquisition is another challenge. The region's many high-paying corporations (from automotive giants to hidden champions) intensify competition for skilled workers. Startups struggle to attract talent when Mittelstand firms offer rich salaries, stability, and strong career opportunities. Only 43% of Baden-Wuerttemberg startups rate local skilled labor availability as good (below the 49% national figure), and over a third cite hiring and personnel planning as a top challenge (PwC, 2022).

Complexity in the support landscape and bureaucracy further hinder the ecosystem. Founders face a maze of support programs at regional and federal levels, making it difficult to navigate and evaluate the right funding or incubator offers. Startup BW initiative tries to solve this by bundling as many offers as possible under one umbrella but still the problem remains. Heavy bureaucratic requirements also remain a significant burden. Excessive documentation and reporting duties for public grants consume founders' time and undermine their growth and competitiveness. In Germany overall, bureaucracy is one of the most common obstacles for new companies, with many voices calling for clarification and reduction of bureaucratic burden for the startup ecosystem.

Another scalability challenge is the low level of public procurement involving startups, which limits young firms' early customer access and market validation. Winning

government or municipal contracts can be transformative for a startup – providing revenue, credibility, and a testbed for scaling solutions but such opportunities are rare in practice. Recognizing this, the government’s innovation agenda includes reforms to make procurement more startup-friendly – such as allowing direct contracts to startups and reducing red tape but implementation has been slow.

Effective collaboration between startups and the region’s established players is critical for innovation, yet cultural and structural barriers persist. One barrier is the cultural mismatch between the fast-paced, risk-embracing startup mindset and the more cautious, risk-averse culture of the traditional Mittelstand. Many of Baden-Wuerttemberg’s SMEs and industry leaders are engineering-focused, precision-driven companies with long product cycles and an aversion to unproven ideas. These firms can be hesitant to engage in open innovation with startups facing internal obstacles like not-invented-here syndrome, risk aversion, and top-down cultures.

Another underexploited area is the transfer of technology and IP from universities and research institutes into startups and SMEs both for spinning out new ventures as well as collaboration e.g. through licensing. Baden-Wuerttemberg hosts numerous top universities and Fraunhofer/Max Planck institutes, generating world-class research, but the conversion of this research into commercial ventures still has potential.

Fragmentation and overlap in public support initiatives across different government bodies present a further collaboration challenge. Startup support in Baden-Wuerttemberg (and Germany generally) involves multiple stakeholders – the Ministry of Economics at the state level, various federal ministries (for economy, research, transport, etc.), regional development agencies, and EU programs – each running their own schemes. This can lead to redundant programs and confusion over responsibilities.

Certain infrastructure shortcomings in the region create friction for innovators. One noted gap is the lack of intermediate lab and prototyping facilities to help startups bridge the transition from research to commercial product. While Baden-Wuerttemberg’s universities boast state-of-the-art labs, and mature companies have their own R&D facilities, startups in between often struggle to find affordable, mid-scale lab space or technical equipment. This is especially problematic in fields like biotech, medical technology, cleantech, or advanced materials.

Digital connectivity in parts of the region also remains challenging, which can hinder digital startups and remote-work-based innovation. Baden-Wuerttemberg is an economic powerhouse, yet some rural areas still suffer from broadband and mobile network deficits.

Finally, access to high-performance computing (HPC) infrastructure is insufficient for startups, even as advanced computing becomes crucial for AI, big data, and

simulation-driven ventures. Baden-Wuerttemberg hosts one of Europe's top supercomputing centers (HLRS in Stuttgart) and other HPC resources, but traditionally these have served academia or large industry projects rather than early-stage companies.

2.1 Specific Needs for Local Startups

Startups in Baden-Wuerttemberg face several structural challenges in accessing support and resources. One challenge is access to qualified mentors – especially those with both entrepreneurial scaling experience and deep technical or deep-tech expertise. Local startups report difficulty finding enough seasoned mentors who have built startups themselves or understand cutting-edge technologies. This mentorship gap is partly due to the region's startup ecosystem still maturing. There are fewer serial founders compared to hubs like Berlin, meaning a smaller pool of experienced advisors.

Also, bureaucratic and lengthy application processes for certain public grants are a noted pain point. Some funding programs require significant time and paperwork, which can divert focus from the business. For example, the EU's EIC Accelerator, a major grant program for innovative startups, involves a multi-stage application that can stretch over several months from start to finish and where many startups rely on pricy ghostwriting services.

One of the most commonly cited needs is access to stronger networks and mentorship. Founders emphasize the importance of connecting with market experts, investors, and experienced entrepreneurs. These networks not only enable valuable knowledge exchange but also help open doors to capital and strategic advice. Startups especially value the opportunity to meet seasoned founders who can act as mentors, advisors, or even non-executive board members.

Another critical area of need is gaining early market traction through pilot customers and corporate partnerships. A first customer, particularly one with high reputational value such as a major manufacturer, hospital, or utility, can greatly enhance a startup's credibility and help validate its solution. Founders report that support in identifying and accessing such pilot partners is essential for building investor trust and refining their product-market fit.

Also, co-founder and talent matching remains a key concern, especially in academic or technical environments where founding teams may lack commercial expertise. Many early-stage founders seek help finding partners with complementary skill sets—such as pairing a tech-oriented founder with someone from a business or sales background. Without established personal networks, many aspiring entrepreneurs struggle to build the balanced teams that are often crucial to long-term startup success.

A healthy talent pipeline is vital to grow startups, yet in Baden-Wuerttemberg founders report difficulties in building out their teams with the right skills. One issue is a shortage of readily available software developers and other tech specialists willing to join early-stage ventures. This state is home to top engineering universities and companies, so in theory the talent exists, but many startups struggle to attract them.

Regarding their internationalization efforts, startups articulate challenges in accessing customers in the new markets, understanding and navigating the local legal environment and gaining relevant market insights (Startup Verband, 2024).

Last, startups actively aim to increase their visibility within their industry as well as within the startup ecosystem by participating and being showcased by various startup support offers like accelerators and awards as well as, if possible actively, participating in events e.g. on stage for panels or pitch events.

2.3 Barriers for Women and Minorities in Accessing Innovation Support Services

Women and other minority entrepreneurs continue to be underrepresented in Baden-Wuerttemberg's startup landscape, resulting in unequal access to resources and opportunities. Nationwide, only about 18–19% of startup founders are women, while individuals with migrant backgrounds make up around one in five. This imbalance leads to a series of interlinked barriers.

A major obstacle is language. Many startup support services, funding portals, and program materials are available only in German, limiting accessibility for non-native speakers. Without English-language versions of websites, forms, or advisory sessions, international founders are often left to rely on informal support or bilingual intermediaries, reducing their independence and slowing their progress.

Limited access to investor networks further compounds the issue. Women and minority founders tend to have smaller professional circles and are underrepresented in pitch events or funding rounds, which makes it harder to gain exposure and build crucial relationships. Since investors often draw on familiar networks, the lack of visibility becomes a self-perpetuating disadvantage.

These founders also face disadvantages in early-stage business development. Building strategic networks, connecting with mentors, and establishing partnerships can be more difficult without existing contacts or representation in mainstream entrepreneurial communities. As a result, early traction, pilot projects, or lean development cycles may take longer to materialize.

A related challenge is the lack of visible role models. The relatively low number of high-profile women and minority founders in the region can discourage aspiring entrepreneurs from similar backgrounds. Without representation at events, in the media, or within support programs, newcomers may lack orientation and peer inspiration.

Lastly, language and cultural gaps persist in direct business interactions. Much of Baden-Wuerttemberg's Mittelstand operates primarily in German, and startup-corporate collaborations often rely on informal conversations. Founders who pitch or negotiate in English may face communication hurdles if potential partners lack the necessary language skills, which can delay or derail cooperation. Collectively, these factors create additional layers of complexity for already underrepresented groups in the startup ecosystem.

Baden-Wuerttemberg has introduced a variety of targeted programs and policies to foster greater inclusion in its startup ecosystem. One notable initiative is the national EXIST Women program, which provides scholarships, training, and mentorship to female students and researchers aiming to start businesses. The program is active across many Baden-Wuerttemberg universities.

At the state level, the Ministry of Economic Affairs runs Start-up BW Women, a campaign dedicated to female entrepreneurship. Its centerpiece, the Start-up BW Female Accelerator, connects six universities to coordinate support programs, share best practices, and strengthen access to training, finance, and networks. The campaign also hosts the annual Female Founders Cup, giving women-led startups visibility and pitch opportunities with investors.

Complementing these formal structures, local networks organize grassroots events like “Female Founder Table Talks” and the “Gründerinnen Apéro” to bring together female founders in informal, supportive settings. These gatherings serve as critical platforms for peer exchange and mentoring.

To enhance visibility, the state launched the Female Founders Map BW, showcasing women-led ventures across the region. Campaigns on social media and the Start-up BW website highlight success stories of diverse entrepreneurs, including migrants.

Importantly, funding schemes have become more inclusive. EXIST and other programs now offer part-time or flexible grant formats, enabling more founders—especially women balancing other responsibilities—to access support. Startup BW Pre-Seed and other instruments have also begun adapting their criteria to better serve diverse founding teams. Together, these measures reflect a growing recognition that inclusive innovation requires both structural and cultural change.

To strengthen inclusion in Baden-Wuerttemberg's startup ecosystem, several actionable measures are recommended. First, inclusive language should become standard across all communications, whether from accelerators, funding programs, or event organizers. Using gender-neutral terms and representing diversity visually and verbally ensures that all founders feel addressed and welcomed. Second, making all key startup support information available in English is essential. Many program websites and applications remain German-only, creating access barriers for international and non-native speakers. A comprehensive English-language guide to regional support services—covering grants, incubators, and legal basics—would help bridge this gap and serve as a central resource for newcomers.

Third, support staff across agencies and incubators should be equipped with adequate English and intercultural skills. This includes training advisors, having English-speaking contacts, and making pitch events more language-flexible. Fourth, inclusive networking formats should be expanded. Proven formats like the Female Founder Table Talks or migrant-founder meetups should be scaled to more cities and supported long-term. Inclusive spaces, where entrepreneurs from underrepresented backgrounds can access mentors, peers, and investors, are key to fostering equal opportunity.

Fifth, progress should be made in more European approaches to legal entities and funding vehicles, making it easier for startups to tap into European innovation and funding ecosystems across borders.

Overall, Baden-Wuerttemberg has made notable progress, but further improvements in language access, inclusive formats, and evidence-based support design are needed. A more inclusive innovation landscape not only helps underrepresented founders thrive—it also strengthens the region's competitiveness and capacity for breakthrough ideas.

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4. Lithuania ecosystem

- 3.1 Overview of Regional Innovation Strategy
- 3.2 Strengths and Capacities of the Regional Ecosystem
- 3.3 Gaps and Weaknesses of the Regional Ecosystem
- 3.4 Specific Needs for Local Startups
- 3.5 Barriers for Women and Minorities in Accessing Innovation Support Services

5. Aragon ecosystem

- 4.1 Overview of Regional Innovation Strategy
- 4.2 Strengths and Capacities of the Regional Ecosystem
- 4.3 Gaps and Weaknesses of the Regional Ecosystem
- 4.4 Specific Needs for Local Startups
- 4.5 Barriers for Women and Minorities in Accessing Innovation Support Services

6. Latvia ecosystem

- 5.1 Overview of Regional Innovation Strategy
- 5.2 Strengths and Capacities of the Regional Ecosystem
- 5.3 Gaps and Weaknesses of the Regional Ecosystem
- 5.4 Specific Needs for Local Startups
- 5.5 Barriers for Women and Minorities in Accessing Innovation Support Services

7. Northeast Romania ecosystem

- 6.1 Overview of Regional Innovation Strategy
- 6.2 Strengths and Capacities of the Regional Ecosystem
- 6.3 Gaps and Weaknesses of the Regional Ecosystem
- 6.4 Specific Needs for Local Startups
- 6.5 Barriers for Women and Minorities in Accessing Innovation Support Services

8. Conclusions



9. References

List of tables

Table 2. Example table

List of figures

Figure 1. Example figure

Annexes

ANNEX 1

Regional report Baden- Wurttemberg ecosystem

- **Overview of Regional Innovation Strategy**
- **Strengths and Capacities of the Regional Ecosystem**
- **Gaps and Weaknesses of the Regional Ecosystem**
- **Specific Needs for Local Startups**
- **Barriers for Women and Minorities in Accessing Innovation Support Services**
- **References**
- **List of tables**
- **List of figures**

