



The Mersin Project

Setting up a Regional Business Angel Network (BAN), Business Angels and Entrepreneurs Academy in the Mersin Region, Turkey

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Project Presentation:

Started as a first pilot project in Turkey, the partnership has involved Mersin Chamber of Commerce and Industry (project leader), Şanlıurfa Chamber of Commerce and Industry (Turkey), Thames Valley Chamber of Commerce and Industry (UK) and Liverpool Chamber of Commerce and Industry (UK). The European Trade Association for Business Angels, Seed Funds, and other Early Stage Market Players (EBAN) took part in the project as associate partner.

The Mersin BAN project aimed to build a Business Angels Network (BAN) within a Turkish Chamber to promote regional investments and provide coaching activities to Chambers' members and entrepreneurs through the services offered by the network in order to stimulate entrepreneurship activities in the region.

The specific objectives of the project were:

- To facilitate the BAN system within Turkish chambers as an alternative source of finance for entrepreneurs with innovative ideas, in order to develop the competitiveness of the regional economy.
- To raise awareness of the BAN system among potential business angels, entrepreneurs, key authorities, and stakeholders.
- To provide alternative sources of finance to innovative entrepreneurs.
- To contribute to the sustainable development of the regional economy.
- To encourage the concept of entrepreneurship.
- To build capacity of the partners of the project in using the BAN system.
- To establish the Mersin BAN and create the investor (BA) and consultant pools.

Over the twelve month implementation period, the partners have made available to the innovative entrepreneurs, besides the traditional financial sources, alternative (equity) financial source and capacity building services. In particular:

- Trainings were provided to twelve people on Intellectual Property Rights & Business Plan in Mersin.
- Trainings were provided to six people on the BAN system in the UK (three days in the Thames Valley Chamber and two days in Liverpool).
- A pool of consultants/mentors/coaches was formed to support and advice both the business angels & entrepreneurs.
- Consultancy services within Chambers were provided to entrepreneurs with innovative ideas to help them to prepare business plans and to inform them on Intellectual Property Rights.
- The project team participated in five fairs, three being in Mersin, Şanlıurfa and Istanbul.
- Seminars and Conferences were organized on business angels and innovative entrepreneurs.
- Two handbooks were published on BAN, one for entrepreneurs and one for the business angels.
- A project match-making event was organized at the end of the project.
- A closing conference was also organized near the end of the project in Mersin where stakeholders, policy makers, as well as expert managers of BANs and BAs from Europe participated as guest speakers and potential investors, and entrepreneurs from the region were invited.

Setting up a regional BAN:

Initial Steps¹:

1. Establish need;
2. Identify stakeholders;
3. Understand existing funding landscape;
4. Agree network structure;
5. Approach potential founder members;
6. Initial parameters – Region/Sector/Stage;
7. Define selection and screening process for investment propositions;
8. Launch and publicise network;
9. Source first opportunities;
10. Hold inaugural meeting;
11. Determine meeting frequency and communication method.

Key Partners in the Mersin Region:

1. Chamber of Commerce (Mersin Chamber of Commerce & Industry);
2. Government Trade & Industry Department (T.C. Sanayi ve Ticaret Bakanligi);
3. Regional Development Agency (Cukurova Development Agency);
4. National SME Support Organisation (Kosgeb);
5. Universities & Spin Out Departments (Technoscope);
6. Business Incubators (Migem);
7. SME International Trade Advisors (Abigem);
8. Finance Providers (Banks etc.)

¹ Source: Mersin BAN Closing Conference - 20th November 2009 Paul Delahunty, Business Angel Network Manager Finance South East, UK

Tips and recommendations:

>To start up:

- Start with a small group of selected individuals.
- Ensure a well respected individual to act as group leader and catalyse new members.
- Ensure a consistent number of wealthy individuals.
- Secure a key regional player, e.g. Chamber of Commerce, to start up the BAN.
- Proceed to warm acquisition of new members.
- Ensure a good preparation, marketing and promotion of the BAN activities.

>To run every day activities:

- Create legal framework for early stage investment activities.
- Never make any specific recommendations concerning deals received to investors.
- In case of failure (of the SME backed), the BAN does not bear any responsibility.
- Business valuations must be reasonable.
- Be selective up front in order not to upset both the investors and the entrepreneurs.
- Have a system in place to filter and screen deals received.
- Run educational programmes for angels & entrepreneurs such as BAs Academy to:
 - Raise the quality and quantity of the deals received;
 - Save time and reputation.
- Meet members of the European early stage community at EBAN events.
- Partner with peers and share ideas, initiatives and good practices.

Annex - Project Partners:

Mersin Chamber of Commerce and Industry (MTSO): Fundamental duty of the project beneficiary MTSO is to canalize commerce and industry for the furtherance of public welfare. In this sense, MTSO is coordinating efforts to have a major role in sustainable economy of the Mersin province and to bring potential entrepreneurs to business life, which is the starting point of development and economic progress of the country. MTSO has essential knowledge from EU projects carried out by the project management department.

Şanlıurfa Chamber of Commerce and Industry (SUTSO): SUTSO (Project Regional Assistant) canalizes commerce and industry for the furtherance of public welfare. Project partner SUTSO raises awareness about BAN in its region with staff trained within the scope of the project. SUTSO is responsible for canalizing potential business angels and entrepreneurs with innovative project ideas. The main reason of giving these roles to SUTSO Industry as the project partner is because it is one of the economic actors in its region and because of its relations with potential business angels and Harran University, where potential entrepreneurs in Şanlıurfa can be found.

Thames Valley Chamber of Commerce Group (TVCCG): TVCCG duty is to transfer its experiences about implemented BAN system in the UK to MTSO and SUTSO, this way associated capacity of the chambers will increase. Besides, project regional assistant staff of TVCCG is responsible for the organization of associated

theoretical and practical trainings within the hosting of TVCCG and organizing presentations about BAN to associated institutions. TVCCG is given this role because the institution has efficient experience about the associated subject from the past and has the whole infrastructure necessary for the associated trainings of the project management staff.

Liverpool Chamber of Commerce and Industry (LCCI): LCCI has the role to transfer its experiences and know-how about BAN system in England to MTSO and SUTSO. Besides, project regional assistant of LCCI is responsible for the organization of associated theoretical and practical trainings within its region and organization of presentations about BAN system to associated institutions in Liverpool (UK). During the project, full support about the related activity will be given to project management staff for the organization. LCCI is given this role because the institution has efficient experience about the BAN system from chamber's experiences and previous implemented projects about investments. LCCI has also the needed infrastructure for the technical trainings of the project management staff.

Associates:

Yenileşim Association (Y.A.): Y.A. has to play a critical role in training the trainers in the scope of the project. Y.A. is one of the most experienced associations in Turkey on the related subjects of this project such as business plan preparation, intellectual property rights, innovation, and investment promotions. Y.A. takes the role of a nationwide educational association in the project and in addition of Y.A.'s continuation of the trainings and seminars about the BAN system, it will raise awareness of the BAN system throughout Turkey.

The European Trade Association for Business Angels, Seed Funds, and other Early Stage Market Players (EBAN): EBAN as a network organization has been selected as the most important key player of the BAN system in Europe. Among other networks, EBAN is the most experienced in the implementation of BAN systems. EBAN helped to provide the necessary documentation and contacts for the BAN system to be implemented in Turkey.

Mersin Technoscope (MT): MT represents knowledge producers where R&D activities take place. In Mersin as one of the pilot actions of RIS-Mersin project, MT organized R&D33 actions in cooperation with MTSO to encourage cooperation between university and industry. Thus, MT has a good database on both entrepreneurs & investors.

Çukurova Development Agency (ÇDA): Investment promotion activities department of ÇDA will support the BAN system with available database of investors in the region. In the follow up phase of the project ÇDA will supply funding and act as a key player for the consolidation of the BAN system.

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