



SHARE 2.0

Community of Practice on Innovation

Ideas paper on creating an entrepreneurial ecosystem for sport sector start- and scale-ups



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Sport

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Edited by SHARE 2.0 members

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1. Introduction

SHARE 2.0 is a European Commission initiative to foster dialogue, build capacity and facilitates collaboration among over 400 sport stakeholders in the fields of EU funding, health, innovation and sustainability. It is based around four **Communities of Practice (CoPs)** which include public authorities, grassroots sports organisations, federations, and policy experts. Communities of Practice are based on a participatory method that allows all participants to take an active role.

The Communities of Practice met in September 2024 for the **SHARE 2024 Annual Conference in Brussels**. During the discussions, each Community identified key topics which then formed the basis for the development of this **paper**. To ensure effective representation, the feedback was gathered through a bottom-up approach which was made possible thanks to the **contributions of SHARE members, including the active involvement of the Steering Group members**. The Steering Groups of each CoP is composed of up to 10 members selected through a Call for Expression of Interest. Their role includes steering discussions and supporting the definition of topics, capacity-building activities and papers.

This paper has been edited with the primary objective of being a valuable resource for sport stakeholders by sport stakeholders.

In 2024, **President Ursula von der Leyen presented the new political guidelines for the next European Commission 2024-2029**¹. The priorities are very relevant when it comes to entrepreneurship and innovation as they propose creating a competitive, innovation-driven environment by simplifying regulations with an EU-wide “28th regime,” introducing a competitiveness check on legislation, and prioritising investments in digital infrastructure through initiatives like the European Data Union and European Competitiveness Fund. In addition to this, in 2024 Mario **Draghi delivered a report on “The Future of European Competitiveness”** emphasizing the need to better support European SMEs and start-ups, recognising their limited size and financial capacity compared to large corporations. Draghi’s report focuses on addressing regulatory barriers and funding fragmentation by completing the Capital Markets Union², creating an EU-wide legal status for innovative start-ups to reduce compliance costs, and establishing a “Competitiveness Coordination Framework” to centralise policy priorities and support strategic industries⁴⁷.

Both documents aim to foster an EU-wide *entrepreneurial ecosystem* – **an environment that combines social, political, economic, and cultural factors to support innovative start-ups and make starting new businesses easier**³. These ecosystems drive innovation by encouraging collaboration, sharing resources⁴, and providing essential support such as funding, mentorship, and talent⁵. They also enhance economic

¹ Von der Leyen, U., *Political Guidelines for the next European Commission 2024–2029*. European Commission, Strasbourg, 2024, https://commission.europa.eu/about/commission-2024-2029/president-elect-ursula-von-der-leyen_en

² European Commission, ‘*Capital Markets Union*’. European Commission website, accessed 28 February 2025, https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/capital-markets-union_en

³ Malecki E.J., *Entrepreneurship and entrepreneurial ecosystems*, Geography Compass, 12:e12359, 2018, <https://doi.org/10.1111/gec3.12359>

⁴ De Man, A. and Duysters, G., *Collaboration and innovation: a review of the effects of mergers, acquisitions and alliances on innovation*, Technovation, Volume 25, Issue 12, 2005, <https://linkinghub.elsevier.com/retrieve/pii/S016649720400135X>

⁵ De Massis, A., Audretsch, D., Uhlaner, L., and Kammerlander, N., *Innovation with Limited Resources: Management Lessons from the German Mittelstand*, Journal of Product Innovation Management, 35(1), pp. 125-146, 2018, <https://doi.org/10.1111/jpim.12373>

development by creating jobs, fostering competition, and improving productivity⁶. Additionally, entrepreneurial ecosystems adapt well to market changes, ensuring economic stability while nurturing diverse businesses across sectors⁷.

With the political momentum building towards more innovation and competitiveness, key stakeholders gathered to discuss the ongoing and emerging challenges of the European sport sector. Specifically, to the Community of Practice on Innovation of the SHARE 2.0 initiative, during the course of 2024, members of the Steering Group have identified that **“Supporting scale-ups in the sport industry” was a key topic and thus discussed and analysed during the annual SHARE 2.0 conference in September 2024**. The outcome of the discussions among key stakeholders of the European sport sector, to a large extent, have informed the outline and contents of this paper.

The following paper will provide some recommendations on how to support an entrepreneurial environment. The ideas proposed are largely based on the 11 September 2024 SHARE 2.0 Conference and they are addressed to the SHARE 2.0 Community to implement and disseminate. The paper also provides background information regarding the building blocks, key challenges and pathways to develop a European entrepreneurial sport ecosystem.

2. Recommendations

The following recommendations are based on insights gathered from the SHARE 2.0 conference and dedicated research conducted for this paper. Just as the members of the SHARE 2.0 initiative have made valuable contributions to this policy paper, they can also leverage these recommendations to raise awareness at both local and national levels about the challenges faced by start-ups and scale-ups in the sport sector. Furthermore, they can propose actionable solutions for stakeholders in their local environments to implement.

2.1 Improve entrepreneurial infrastructure, education, and culture

To increase the number of people with the skills, motivation, and means to become entrepreneurs within the sport sector, several areas can be supported by both public and private actors. The SHARE 2.0 initiative can serve as a valuable platform for promoting and facilitating these changes.

- **Connect local businesses and sport organisations:** Local governments should establish networking forums or opportunities for sport organisations and local sport businesses to connect and understand each other’s needs and capabilities. This can be achieved through formal incubation hubs or informal events. The goal is to foster local innovation through better mutual understanding and improved market connectivity. Successful examples of local sport entrepreneurship hubs, such as Sport Finland, Sports Lab Copenhagen, and SportUp in Ghent, demonstrate how this can be achieved. SHARE 2.0 can also act as a forum for sharing best practices among international stakeholders, which could form the basis for local cooperation initiatives.

⁶ Spigel, B. and Stam, E., *Entrepreneurial ecosystems*, In R. Blackburn, D. De Clercq & J. Heinonen (eds), SAGE Handbook of Entrepreneurship and Small Business., 21, SAGE Publications, London, 2018, <https://doi.org/10.4135/9781473984080.n21>

⁷ Roundy, P., Brockman, B., and Bradshaw, M., *The Resilience of Entrepreneurial Ecosystems*, Journal of Business Venturing Insights, 2017, Available at SSRN: <https://ssrn.com/abstract=3026364>

- **Provide entrepreneurship training for athletes:** Professional athletes and highly engaged amateurs have significant experience in the sport sector and are often more likely than the general population to pursue entrepreneurship. Many of the skills acquired through athletic careers align closely with those required for successful entrepreneurship. Local business hubs should offer tailored entrepreneurship training and networking opportunities for athletes to help them develop their own business ventures, either alongside or following their sporting careers.
- **Promote education in sport entrepreneurship:** The skills and mindset required for successful entrepreneurship should be nurtured through the incorporation of entrepreneurship into educational curricula at schools and universities. Sport entrepreneurship could be a specific focus by integrating it with students' interest in physical activity or sport. Additionally, SHARE members can support less extensive initiatives to raise awareness of sport entrepreneurship in schools, such as forming partnerships, organising events, or delivering talks on the topic in their local communities.

2.2 Facilitate access to funding for start- and scale-ups

Access to funding emerged as a high-priority issue among business representatives at the SHARE 2.0 conference and is a key focus of the Draghi report, which identifies it as a central challenge to enhancing economic productivity and activity within the EU. While increasing the overall funds available to the sport sector is one approach, alternative solutions within existing funding structures can address some of the sector's concerns. Supporting funding for the sector through streamlined application procedures and enhanced cooperation among stakeholders can encourage more start-ups and scale-ups to seek and secure new funding to grow their businesses.

- **Facilitate access to funding for scaling in the sport sector:** Although there are various funding opportunities for start-ups and scale-ups at EU, national, and local levels, few are specifically targeted at the sport sector. Existing initiatives that connect scale-ups with venture capital or public investment funds often focus on sectors such as technology or healthcare. While these may occasionally be relevant to sport companies, the sector's unique characteristics and specialised needs justify funds specifically tailored to it. This could be addressed on a smaller scale by raising awareness about how sport initiatives may qualify for certain funds or more comprehensively by establishing dedicated funds for the sport sector through public and private investment vehicles.
- **Streamline public-private funding procedures for the sport sector:** The significant differences between public and private funding structures create challenges for entrepreneurs seeking public funds. Incubators and public investment funds should develop programmes to guide private entrepreneurs in successfully navigating application processes. This could include expanding access to guidance resources or simplifying application procedures to make them more user-friendly.
- **Host funding events for the sport sector:** SHARE 2.0 members with experience in securing venture capital funding for the sport sector can support others by organising knowledge-sharing events at national or international levels. The barriers to organising such events are low, as they can be conducted online with minimal costs, leveraging the connections established through the SHARE initiative.

2.3 Address market fragmentation to increase scalability

One significant challenge in the sport sector is its high degree of fragmentation, which complicates business scaling and makes it harder for organisations to procure essential products. The sector is made up of numerous small grassroots clubs, relatively few large clubs, sport associations, and a vast private user base, spread across a wide range of disciplines. Tackling this fragmentation to foster a more business-friendly ecosystem requires collaborative efforts from both sport sector representatives, such as SHARE 2.0 members, and support from the public sector.

- **Foster cross-sector cooperation for scalable solutions:** SHARE 2.0 members and other stakeholders should collaborate across sports, regions, and countries to jointly procure digital solutions and products that may not be economically viable to purchase independently. This collaboration could take place within existing sport-specific associations or between local and regional clubs across disciplines for shared needs. Such cooperation enables grassroots clubs and sport organisations to access cost-effective solutions while providing start-ups and scale-ups with larger initial markets for their innovative products, accelerating their growth.
- **Promote innovative partnerships between associations and businesses:** Significant cultural gaps often exist between start-ups, scale-ups, and sport associations. To develop products that meet existing demands and enable associations to effectively adopt these innovations, regular interactions and long-term partnerships should be facilitated. This could be achieved through sport incubators, sector organisations, or publicly supported events where representatives from both sides can meet and collaborate. Bridging this gap will not only foster mutual understanding but also drive the creation of globally competitive, innovative products and services.

3. A methodological approach: the six building blocks of an entrepreneurial ecosystem

An entrepreneurial ecosystem comprises the elements needed to support entrepreneurship in a specific region. Early models from the 1990s identified three key components: supportive institutions to regulate and standardise new technologies, public resources like scientific knowledge, funding, and skilled labour, and private business activities such as research, production, and marketing to commercialise innovations⁸. While the definition has remained consistent, the concept has evolved to include **six broad categories: regulatory framework, financial resources, cultural environment, support infrastructure, human capital development, and market dynamics**, as outlined by Isenberg⁹, Stam & Van der Ven¹⁰, and the World Economic Forum¹¹. We will first describe

⁸ Van De Ven, H., *The development of an infrastructure for entrepreneurship*, Journal of Business Venturing, Volume 8, Issue 3, ISSN 0883-9026, 1993, pp. 211-230, [https://doi.org/10.1016/0883-9026\(93\)90028-4](https://doi.org/10.1016/0883-9026(93)90028-4).

⁹ Isenberg, Daniel & Onyemah, Vincent, *Fostering Scaleup Ecosystems for Regional Economic Growth (Innovations Case Narrative: Manizales-Mas and Scale Up Milwaukee)*, Innovations: Technology, Governance, Globalization. 11., 2016, pp. 60-79, DOI:10.1162/inov_a_00248

¹⁰ Stam, E., and van de Ven, A., *Entrepreneurial ecosystem elements*. Small Bus Econ 56, 2021, pp. 809–832, <https://doi.org/10.1007/s11187-019-00270-6>

¹¹ World Economic Forum, *Entrepreneurial ecosystems around the globe and company growth dynamics*, Davos: World Economic Forum, 2013, <https://www.weforum.org/publications/entrepreneurial-ecosystems-around-globe-and-company-growth-dynamics/>

the building blocks in more detail and then use this framework to identify the challenges in creating a European entrepreneurial sport ecosystem.

The **regulatory framework** combines proactive policies and robust legal structures to support entrepreneurship. Examples include simplified business registration, tax incentives, grants, and funding for education and research to reduce barriers and encourage business creation. Strong intellectual property protections, efficient contract enforcement, transparent regulatory bodies, and a reliable judicial system provide the legal backbone, ensuring fair and predictable business operations.

Financial resources include a diverse range of funding options, such as venture capital, angel investments, bank loans, government grants, crowdfunding, and microfinancing. These resources enable entrepreneurs to start and grow their businesses, invest in talent and technology, and scale operations sustainably. Alternative avenues like accelerator programmes also make funding more accessible, particularly for early-stage start-ups.

The **cultural environment** reflects societal values, norms, and beliefs around entrepreneurship. A supportive culture fosters ambition, creativity, and resilience, encouraging risk-taking and tolerating failure. Visible role models, success stories, and collaborative attitudes promote knowledge-sharing and inspire others to start businesses. This environment creates a mindset that values innovation and experimentation.

Support infrastructure includes the services, resources, and facilities that help start-ups thrive. Mechanisms like incubators, accelerators, mentorship programmes, and networking events provide guidance and professional resources. Physical infrastructure, such as communication networks, transport systems, and office spaces, is equally essential. Intermediate services, including legal, accounting, and consulting expertise, assist start-ups with challenges like regulatory compliance and intellectual property management.

Human capital development involves building a workforce with the skills and expertise needed to drive entrepreneurship. Both general labour and highly specialised talent contribute to this. Educational institutions play a critical role by offering tailored training that enhances technical, business, and managerial skills. Serial entrepreneurs also provide invaluable insights and mentorship, strengthening the ecosystem.

Market dynamics encompass customer needs, market opportunities, and connections within the entrepreneurial community. Customer demand drives innovation, encouraging start-ups to address market gaps. Access to diverse customers allows entrepreneurs to test and scale their models. Networks connecting entrepreneurs, suppliers, and customers facilitate resource-sharing and knowledge exchange, helping businesses stay agile and adapt to market changes.

The building blocks of an entrepreneurial ecosystem can be summarised as follows:

Building block	Description
Regulatory framework	Government policies and legal structures that support entrepreneurship, including laws, regulations, and incentives.
Financial resources	Access to funding sources, including venture capital, angel investors, loans, grants, crowdfunding and microfinancing.

Cultural environment	Societal attitudes toward entrepreneurship, emphasising innovation, risk-taking, and acceptance of failure as part of the entrepreneurial journey.
Support infrastructure	Resources and services that assist start-ups in their development, including incubators, accelerators, consulting, legal advice, mentoring, and the physical infrastructure that support business operations.
Human capital development	Availability of labour and experienced entrepreneurs, supported by educational institutions that provide people with the knowledge and expertise needed for innovation.
Market dynamics	Access to customers and market demand for products and services offered by start-ups, along with networks that facilitate collaboration and resource sharing.

4. Key challenges in creating a European entrepreneurial sport ecosystem

Applying the above model to the European sport sector, we can identify challenges that hinder innovation and competitiveness in every building block.

4.1 Fragmentation of regulatory framework and funding landscape

The European Union's limited role in industry and sport¹² leads to a fragmented regulatory framework. Each member state maintains its own legal systems, policies, and sport governance rules, creating inconsistencies in licensing, tax policies, and regulations. This complexity hinders cross-border expansion and discourages innovation¹³.

The funding landscape is equally fragmented, with regional disparities limiting support for innovative sport start- and scale-ups in less affluent areas¹⁴. On top of that, few investors specialise in the sport sector, even though start-ups developing new technologies or infrastructure often require significant initial capital. EU funding programmes like the SME Fund¹⁵ and Horizon Europe can help address some of these gaps, but many organisations are either unaware of the funding opportunities or find the application processes too bureaucratic¹⁶. Additionally, these programmes focus broadly on SMEs or innovation,

¹² European Commission, 'Areas of EU action', European Commission Website, accessed 3 March 2025, https://commission.europa.eu/about/role/law/areas-eu-action_en

¹³ Meyer, K. E., Li, J., and Brouthers, K. D., *International business in the digital age: Global strategies in a world of national institutions*. Journal of International Business Studies, 54(4), 577, 2023, <https://doi.org/10.1057/s41267-023-00618-x>

¹⁴ Gouquet, J-J., Breuer, C., Lourimi, S., Primault, D., Wealbroeck-Rocha, E. et al. *Study on the funding of grassroots sports in the EU*, Publications Office of the European Union, Luxembourg, 2011, <https://op.europa.eu/en/publication-detail/-/publication/50e6357c-6e20-43fc-8cf7-b7ca073b197c>

¹⁵ European Union Intellectual Property Office, *SME Fund*, European Union Intellectual Property Office Website, accessed 3 March 2025, <https://www.euipo.europa.eu/en/sme-corner/sme-fund/overview>

¹⁶ Feiler, S., Wicker, P., and Breuer, C., *Public subsidies for sports clubs in Germany: Funding regulations vs. empirical evidence*. European Sport Management Quarterly, 19(5), 2019, pp. 562-582.

leading to competition for resources and insufficient funding tailored to sport start-ups' unique needs.

4.2 Conservative cultural environment

Resistance to change is a significant barrier in the European sport sector. Many organisations have deep-rooted traditions and prioritise stability and established practices over innovation¹⁷, prioritising amateurism and community engagement rather than entrepreneurial initiatives¹⁸. In some regions, sport is seen more as a public good than an entrepreneurial opportunity, discouraging risk-taking and innovative business practices¹⁹. This cultural conservatism limits the introduction of new ideas and the development of a dynamic, innovation-driven ecosystem.

4.3 Scarcity of support infrastructure

There are relatively few resources and services that assist sport start-ups in their development. While general incubators and accelerators exist, few focus on sport entrepreneurship. Additionally, accessing training facilities, testing labs, and specialised equipment is costly and often challenging. Many sport innovations require hands-on testing with athletes, but outdated or inadequate facilities fail to meet demand or modern standards²⁰. Limited availability or high costs for infrastructure therefore create further barriers to innovation and competitiveness.

4.4 Misalignment between education and industry needs

The educational programmes and the needs of the sport sector are disconnected. While many institutions offer sport management courses, most prioritise traditional management practices over fostering an entrepreneurial mindset. As a result, their curricula often overlook key skills required by modern sport organisations²¹, such as combining sport expertise with business, technology, and innovation. Additionally, limited internship opportunities and industry partnerships leave graduates without practical experience²². As a result, graduates with entrepreneurial skills are often drawn to established organisations offering stable positions²³, draining talent from the entrepreneurial ecosystem and leaving start-ups struggling to compete for skilled professionals.

4.5 Barriers to market entry

Lastly, start-ups struggle to compete in markets dominated by established brands with strong fan loyalty, sponsorships, and media presence²⁴. Large companies leverage economies of scale, significant marketing budgets, and robust distribution networks,

¹⁷ Andersson, K., Book, K. and Norberg, J. R., *Challenges and Change Readiness in Grassroot Sport*, Change – cooperation for change management and innovation in sports, 2023, <https://www.diva-portal.org/smash/get/diva2:1821542/FULLTEXT01.pdf>

¹⁸ Pijetlovic, K., *European model of sport: alternative structures*. In Research handbook on EU sports law and policy, Edward Elgar Publishing, 2018, pp. 326-359

¹⁹ Vamplew, W., *Products, promotion, and (possibly) profits: Sports entrepreneurship revisited*, Journal of Sport History, 45(2), 2018, pp. 183-201

²⁰ Jorgič, B., *Overview of Sports Infrastructure in City of Bratislava: Challenges, Opportunities, and Research Agenda*, Modern Economy and Management, 2023, DOI: [10.53964/mem.2023011](https://doi.org/10.53964/mem.2023011)

²¹ Grønkjær, A. B., *New Age of Sport Management Education in Europe (NASME)*, Erasmus+, European Commission, 2020, <https://ec.europa.eu/programmes/erasmus-plus/project-result-content/2b66c68b-c706-4568-abe6-23ee6c6783ec/>

²² Sotiriadou, P., *Improving the practicum experience in sport management: A case study*, European Sport Management Quarterly, 11(5), 2011, pp. 525-546

²³ Schwab, K. A., Legg, E., Tanner, P., Timmerman, D., Dustin, D., and Arthur-Banning, S. G., *Career paths in sport management*, Schole: A Journal of Leisure Studies and Recreation Education, 30(2), 2015, pp. 1-11

²⁴ Da Silva, E. C., and Las Casas, A. L., *Sport fans as consumers: An approach to sport marketing*, British Journal of Marketing Studies, 5(4), 2017, pp. 36-48

making it hard for new entrants to gain visibility or attract customers. Limited access to networks and partnerships with sport teams, leagues, and sponsors further restricts start-ups' ability to test products and expand their reach.

5. Pathways to develop a European entrepreneurial sport ecosystem

This section will discuss how the public and private sectors can address each of the six blocks of the entrepreneurial ecosystem.

5.1 The role of the public sector

5.1.1 Regulatory framework

Governments are key players in establishing a supportive regulatory framework. Simplifying business registration, protecting intellectual property, and enforcing contracts create a clear legal environment that reduces uncertainty for entrepreneurs. Minimising bureaucratic hurdles, such as streamlining permits and compliance, lowers entry barriers for new businesses. Additionally, facilitating public-private partnerships encourages collaboration between government and private organisations, enabling resource sharing and innovative solutions to societal challenges. These measures can collectively promote an innovation-driven entrepreneurial sport sector.

5.1.2 Financial resources

The public sector can support start-ups and small businesses through direct financial aid, such as grants and subsidies, to cover initial costs like product development and marketing. Subsidised loans with favourable terms, including reduced interest rates or loan guarantees, further help lower financial barriers and encourage investment in innovative projects considered high-risk by traditional investors. Tax incentives for private investors, such as credits or deductions for investments in the sport sector, can also stimulate private funding for entrepreneurship. Additionally, governments can allocate funds for research and development (R&D) initiatives, offering grants to foster technological advancement and innovation within the entrepreneurial sport ecosystem.

5.1.3 Cultural environment

Governments at all levels can encourage collaboration between public, private, and non-profit sectors by creating platforms for dialogue, resource sharing, and joint initiatives, fostering an entrepreneurial culture. One example of this is the **"Sport to Start-up"** programme in Ireland, which enables full time sport people to engage in entrepreneurship and explore setting up their own businesses²⁵. Public funding for events like sport innovation fairs and sport entrepreneurship competitions could further stimulate interest, providing opportunities for entrepreneurs to showcase ideas, attract investors, and network. On top of that, the public sector could enhance social capital by organising workshops, seminars, and meet-ups that connect entrepreneurs, investors, and mentors, which builds a supportive community.

5.1.4 Support infrastructure

The public sector can boost entrepreneurship by investing in the infrastructure that start-ups in the sport sector need to operate efficiently. Governments can also establish innovation hubs or technology parks and provide dedicated spaces for startups to

²⁵ Stanley, S., 'Minister English launches local enterprise offices' Sport to Start-Up programme for 2022', Sport Ireland Website, 26 October 2022, accessed 3 March 2025, <https://www.sportireland.ie/institute/news/minister-english-launches-local-enterprise-offices-sport-to-start-up-programme-for>

collaborate, access resources, and share knowledge. These hubs can also support incubators and accelerators through funding or partnerships, offering mentorship and resources to help early-stage sport start-ups thrive. Some examples of this include the **Sport Finland Network**²⁶, **Sports Lab Copenhagen**²⁷, and **SportUp in Flanders (Belgium)**²⁸. Lastly, by facilitating collaborations between start-ups and research organisations, start-ups can access advanced technologies and expertise and collaborate with researchers to drive innovation and improve products or services.

5.1.5 Human capital development

Governments can invest in education and training programs and offer vocational training, technical education, and entrepreneurship courses to develop a skilled and innovation-oriented workforce. Integrating entrepreneurship education into school curricula from primary to higher education further cultivates early entrepreneurial values and skills. In Ireland, this is done through the **Student Enterprise Programme**²⁹, which lets students from secondary schools set up and run their own business and find out what it's like to be an entrepreneur. Another way to boost human capital development is by promoting lifelong learning through partnerships with educational institutions and private organisations, which ensures that society continually adapts to the demands of the sport sector.

5.1.6 Market development

Providing platforms to connect with customers, partners, and investors enhances visibility and lowers market entry barriers for start-ups. The public sector can also promote collaborative networks among public institutions, private companies, and research organisations and foster innovation through knowledge sharing and resource pooling.

5.2 The role of the private sector

5.2.1 Regulatory framework

The private sector can shape the regulatory framework necessary for a thriving entrepreneurial ecosystem through lobbying, which can influence regulations to promote innovation and competitiveness. Additionally, public-private partnerships allow businesses to collaborate with governments on regulatory design and implementation, fostering innovative solutions that meet public needs while supporting businesses³⁰. Effective collaboration between the public and private sectors creates a regulatory framework more responsive to the needs of SMEs, start-ups, and scale-ups.

5.2.2 Financial resources

Private sector funding is essential for creating an entrepreneurial ecosystem. Venture capital (capital invested in a project in which there is a substantial element of risk), angel investments (a wealthy individual's investment of personal funds in early-stage companies), and corporate funding provide start-ups with the capital to develop innovative

²⁶ Hhub, 'Sport Finland - Innovation network for sport, health and wellbeing', HHub Website, accessed 3 March 2025, <https://hhub.jyvaskyla.fi/en/sport-finland-network>

²⁷ Sports Lab Copenhagen, 'Nordic Hub and Network for Innovation', Sport Lab Copenhagen Website, accessed 3 March 2025, <https://www.sportslab.sport/>

²⁸ SportUp, *Main page*, SportUp Website, accessed 3 March 2025, <https://sportup.be/>

²⁹ Student Enterprise Programme, 'Main page', Student Enterprise Programme Website, accessed 3 March 2025, <https://www.studententerprise.ie/>

³⁰ Carbonara, N., and Pellegrino, R., The role of public private partnerships in fostering innovation, *Construction management and economics*, 38(2), 2020, pp. 140-156

products and services³¹. These investments support risk-taking and bridge the gap between idea generation and commercialisation. By offering seed funding and facilitating access to growth-stage financing, the private sector enables start-ups to scale rapidly³². Innovative financial solutions like blended public-private finance models, Social Impact Bonds, Green Bonds, and equity crowdfunding further expand funding opportunities³³, sharing risk and freeing up resources for SMEs to pursue ambitious projects³⁴.

5.2.3 Cultural environment

The private sector can cultivate an entrepreneurial culture by celebrating successful entrepreneurs and sharing lessons from failures. Media campaigns, conferences, and awards highlight achievements and encourage a societal mindset that values creativity, risk-taking, and perseverance. By promoting community development and supporting local causes, businesses build goodwill and trust, fostering a supportive environment for innovation and entrepreneurship.

5.2.4 Support infrastructure

Businesses can establish incubators, accelerators, co-working spaces, and innovation hubs. Incubators and accelerators provide resources, mentorship, and networking opportunities, helping start-ups refine business models, develop products, and connect with investors³⁵. Co-working spaces reduce overhead costs while facilitating networking and hosting collaborative events³⁶. Innovation hubs offer access to advanced equipment, research facilities, and expertise that start-ups often cannot afford independently. Additionally, mentorship programmes, industry data sharing, and business development services such as marketing and legal advice help start-ups focus on innovation and growth.

5.2.5 Human capital development

To address labour and skill needs, the private sector can collaborate with universities and vocational schools to create curricula aligned with industry demands. Internship and apprenticeship programmes provide students with hands-on experience while preparing them for real-world challenges³⁷. Businesses can also independently offer targeted training, encourage continuous education, and sponsor workshops and industry conferences to enhance workforce capabilities, fostering an environment of innovation and competitiveness³⁸.

³¹ Drover, W., Busenitz, L., Matusik, S., Townsend, D., Anglin, A., and Dushnitsky, G., *A review and road map of entrepreneurial equity financing research: Venture capital, corporate venture capital, angel investment, crowdfunding, and accelerators*, Journal of management, 43(6), 2017, pp. 1820-1853

³² Abdulaziz, A., Dondi, M., Rida, T., and Schubert, J., *Unlocking growth in small and medium-size enterprises*, McKinsey & Company, 2020

³³<https://www.worldbank.org/en/news/speech/2017/11/27/financing-for-development-innovative-mobilization-of-public-and-private-finance>

³⁴ Nassr, I. K., and Wehinger, G., *Opportunities and limitations of public equity markets for SMEs*, OECD Journal: Financial Market Trends, 2015(1), 2016, pp. 49-84

³⁵ Brown, R., Mawson, S., Lee, N., and Peterson, L., *Start-up factories, transnational entrepreneurs and entrepreneurial ecosystems: unpacking the lure of start-up accelerator programmes*, European Planning Studies, 27(5), 2019, pp. 885-904

³⁶ Bouncken, R. B., and Reuschl, A. J., *Coworking-spaces: how a phenomenon of the sharing economy builds a novel trend for the workplace and for entrepreneurship*, Review of managerial science, 12, 2018, pp. 317-334

³⁷ Dunbar, M., *Engaging the private sector in skills development*, Health & Education Advice and Resource Team, Oxford Policy Management, Oxford, England, 2013

³⁸ Sung, S. Y., and Choi, J. N., *Do organizations spend wisely on employees? Effects of training and development investments on learning and innovation in organizations*, Journal of organizational behavior, 35(3), 2014, pp. 393-412

5.2. 6 Market dynamics

Established companies can partner with start-ups to co-develop products, giving start-ups access to existing customer bases while focusing on innovation and product development³⁹. Such collaborations facilitate technology transfer, granting start-ups access to advanced tools and processes⁴⁰. Last but not least, larger companies can also act as early adopters of start-up innovations, validating their offerings and creating new market opportunities⁴¹.

6.A case study: creating the entrepreneurial sport ecosystem in Flanders, Belgium

Sport Vlaanderen is the Flemish sport agency which runs the Sport Innovation Lab (SPIL)⁴² in Flanders, Belgium. The initiative aims to foster innovation in the sport sector through its radar and accelerator function, as well as offering opportunities for collaboration to the practitioners and innovators of the sport industry.

Through co-creation, the initiative seeks to inspire and connect individuals and organisations in both online and offline settings, while enhancing the overall landscape of sport innovation in Flanders, Belgium. One example of such work was recent development of the **Masterplan Innovation Sports Flanders 2022 – 2025**. This masterplan is designed to promote further development of sustainable innovation structure and culture of the sport industry in Flanders, Belgium.

Moreover, Sport Vlaanderen offers grants to accelerate innovative ideas or projects, often lasting for up to 3 years, aimed at enhancing and diversifying the current offerings in sport⁴³. Projects for innovation in sport can include introducing new sports, creating unique variations of existing sports, or organising familiar sports in fresh and innovative ways.

Another way which Sport Vlaanderen foster the local sport ecosystem is by creating Centres of Excellence in specific sports. Here they build physical infrastructure and facilities that provides both recreational and professional athletes the best conditions for pursuing their sport. These hubs also create ideal meeting points for coaches, officials, clubs, companies, and federations to interact and create local ecosystems which can benefit both athletes, sport organisations, and local sport businesses⁴⁴.

Sport Vlaanderen also offers a sport and information sharing platform. This is an extensive public database where anyone can find information from the various sport related databases which Sport Vlaanderen has access to. This includes information on municipal sport indicators, clubs, sport participation, and federations. This open access platform for relevant data in the area allows for anyone within or outside the local sport sector to understand developments and actors in the region. This is important for local start- and

³⁹ Usman, M., and Vanhaverbeke, W., *How start-ups successfully organize and manage open innovation with large companies*, European Journal of Innovation Management, 20(1), 2017, pp. 171-186.

⁴⁰ Colombo, M. G., Grilli, L., and Piva, E., *In search of complementary assets: The determinants of alliance formation of high-tech start-ups*, Research policy, 35(8), 2006, pp. 1166-1199

⁴¹ Khuan, H., Andriani, E., and Rukmana, A. Y., *The Role of Technology in Fostering Innovation and Growth in Start-up Businesses*, West Science Journal Economic and Entrepreneurship, 1(08), 2023, pp. 348-357

⁴² Sport Vlaanderen, 'Sportinnovatielab (SPIL)', Sport Vlaanderen Website, accessed 3 March 2025, <https://www.sport.vlaanderen/innoveren-in-de-sport/sportinnovatielab-spil/>

⁴³ Sport Vlaanderen, 'Beleidsfocus Innovatie', Sport Vlaanderen Website, accessed 3 March 2025, <https://www.sport.vlaanderen/sportfederaties/subsidies-voor-sportfederaties/decretale-projectsubsidies/beleidsfocus-innovatie/>

⁴⁴ Sport Vlaanderen, 'Centers of Excellence', Sport Vlaanderen Website, accessed 3 March 2025, <https://www.sport.vlaanderen/centra/centers-of-excellence/>

scale-ups without extensive existing market knowledge, and thereby contributes to a local sport entrepreneurial ecosystem⁴⁵.

A long list of sport innovation projects has been supported by Sport Vlaanderen in recent years. These are divided into five innovation clusters: Sport DNA, Sport Social, Sport Space, Sport Tech and Sport Smart. Innovation projects which have received funds from Sport Vlaanderen include⁴⁶:

- **Sportscube for Active Gaming** is a collaboration between Sport Vlaanderen and Howest on active gaming which has set up facilities where individuals or companies can test out or practice a variety of active gaming activities. It is located in the Sport Innovation Campus of Sport Vlaanderen. Additionally, there is a mobile version developed (a trailer) that tours Flanders.
- **SportUp** is a series of intensive support programs **targetting** sport stakeholders ('SportUp Coach' for federations, 'SportUp Boost' for startups and 'Social SportUp' for social sport innovators), which allows them to receive **specific** guidance from innovation coaches from businesses or academia.
- **Early Warning System 2.0** is an initiative that seeks to detect and evaluate innovation in sport for local sport stakeholders. The team in Sport Vlaanderen research and collect information about contemporary developments in sport and discusses it centrally four times per year, to determine if changes to the organisation's approach to relevant topics should be changed.
- The **FamilieFit App** was launched as the result of innovation call by SPIL. The app includes augmented reality (AR) adventures, where you can 'scan' the environment with your smartphone. What you then see is a combination of the real world, enriched with virtual figures. This is aimed at making walking more enjoyable and interesting for children and get them to be more physically active.

Combined this case serves as an example of how proactive policies can cultivate a supportive environment for entrepreneurs and innovation in the sport industry. By providing financial resources for innovative projects and facilitating opportunities for knowledge exchange and networking, including dedicated facilities that promote collaboration in sport, Sport Vlaanderen creates the foundation for an entrepreneurial sport ecosystem to flourish.

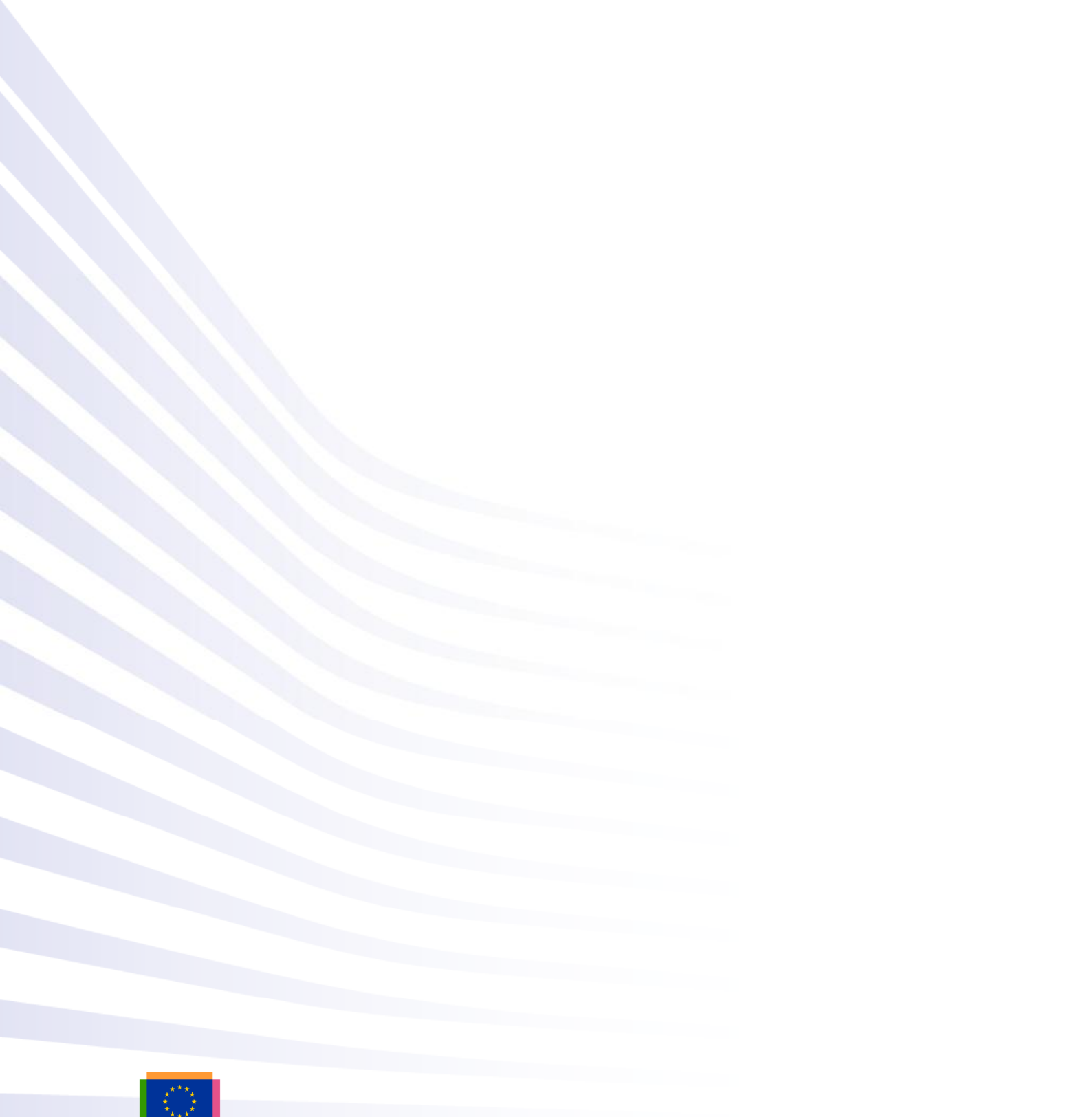
⁴⁵ Sport Vlaanderen, 'Kennisplatform', Sport Vlaanderen Website, accessed 3 March 2025, <https://www.sport.vlaanderen/kennisplatform/>

⁴⁶ Sport Vlaanderen, 'Innovatie-portfolio', Sport Vlaanderen Website, accessed 3 March 2025, <https://www.sport.vlaanderen/innoveren-in-de-sport/innovatieportfolio/>

Annex 1: Contributing organisations

The following organisations are part of the Steering Group of the Community of Practice on Innovation and actively contributed to this paper:

- European Aquatics
- European Platform for Sport Innovation (EPSI)
- Institute for Sport Governance
- Latvian Football Federation
- Sports + Vitality
- Sport Sciences School of Rio Maior - Polytechnic Institute of Santarém
- Sport Vlaanderen



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