

Comparison Of the Polish and American Startup Financing Systems*

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Abstract

The aim of the article is to analyze the Polish startup financing system, present its origins and short history, as well as the basic strengths and weaknesses of this relatively young ecosystem. The most developed and widely known startup ecosystem in the United States was adopted as a reference point and a basis for comparisons.

Conducted analysis allows for the following conclusions:

The startup financing system in Poland has been developing dynamically, especially since 2007, and the range of available instruments is relatively wide.

The startup financing system is very much based on public funds, in particular from EU funds, according to the estimates of the Startup Poland foundation, Polish Seed and Venture Capital funds obtain approx. 52% of capital from public funds.

The financing of startups in the early stages of development is relatively well developed, the situation is worse in terms of financing further growth, there is no fund at the level of the VC round and financing exceeding EUR 1 million - it can be said that in the Polish startup ecosystem there is currently a financing gap in the range of EUR 1-5 million.

Comparing the Polish financing system to the American system, we can see a large role of seed capital funds (VC funds financing the early stage of startup development) with a much smaller function of accelerators and business angels.

Keywords: Financing of Enterprises, Poland, Startup Ecosystem.