Creative Entrepreneurship Hub Thessaloniki - Concept
Global Hubs Vision

We enable arts and cultural organizations to be more entrepreneurial so that they can create better societies.

Thessaloniki Hub Vision

Local creatives drive regional culture and economy.

Our HUB is a community and network for people who bring creativity to society and the economy.

**Thessaloniki Hub team motivation:** Empower and support local creative to be entrepreneurial.

**The team's strengths:** Diverse experience and different, complementary networks.
(creative community, civil society, business and industry, local government, entrepreneurs)
Thessaloniki

in a
snapshot

Second largest city in Greece

Population – 1.1 million

150,000 students per year - Largest student population in Balkans

2 million+ visitors per year

Coastal city

Lively, walkable, multicultural
The City: History and Culture 2300 years of history

The city has been part of the Hellenistic, Roman, Byzantine and Ottoman empires, and has a strong Jewish history.

31 museums & 15 UNESCO monuments

61 Bachelor and Masters degree programs in culture, art, media, marketing, product design, and related fields.
Turn heritage, culture and creativity into innovation for society and an economy in transition.

The How:
Give local creatives the tools to drive regional culture and economy through the Cultural and Creative Industries (CCI).
The City: Economy and Austerity

The austerity measures and economic depression of recent years have led to an increase in the population at risk of poverty across all ages and social groups. At the same time, these circumstances have also inspired an increase in citizen-led initiatives, solidarity networks, interest in entrepreneurship, and creative activity.

• 29% drop in per capita domestic product (from € 19,500 in 2008 to € 13,900 in 2013, Eurostat) and an increase in the unemployment rate to over 30%.

• During the period 2003-2008, in the Metropolitan Region of Thessaloniki there were 51,475 newly registered companies and 46,794 terminations while during the period 2009-2014 new registrations decreased by approximately 34% (33,895) and terminations increased by 5% (49,281).

• Thessaloniki was once a center for the region's textile industry, but production units have now moved to other locations in the region or globally – a decline that began before the current economic depression.

• Since 2008, 400,000 people left Greece to study and/or work abroad, and many businesses have closed or moved to other countries, mainly due to high domestic taxation and a lack of investment incentives. Businesses from Thessaloniki moved particularly to neighboring Bulgaria.

• In this context, tourism became the city’s fastest growing economic activity. Thessaloniki has increased the number of international tourists by 30%, overnight stays by 110%, and international flights by 15% since 2009.
Launching a business

• Set-up and operating costs are low. You can legally set-up a P.C. (private company) – with an initial share capital of €1. Then you’ll need around €500 for insurance, legal and accounting per month.
• Tax Rate is 29% (x2), and taxes must be paid in advance for the next operating year.
• VAT is 24%. Tax on Greek artwork is also 24% (in Germany it’s only 5.7%)
• Minimum monthly insurance per person is €167.95 per month, maximum €1589.49.

• Due to austerity measures, the legal, tax and employment regulations affecting self-employed and businesses change frequently, leaving entrepreneurs, lawyers, and accountants scrambling to keep up with the changes, or deal with new, unexpected costs.

• There is limited capital available in Greece. Entrepreneurs in Thessaloniki mainly build their product/service locally without distractions and travel to find capital for their business. Famous startup destinations for the capital quest are Athens, London and Berlin. Plane tickets are inexpensive and there are also low budget airlines, so travelling often is quite affordable.

• Challenges in the tax and regulatory environment on micro-businesses, new enterprises and self-employed. For example, some national small business loans do not accept co-working space expenses, and require a startup team to rent its own space. Similarly, artists selling their products online are required to show they rent a warehouse/workshop space. This drives up expenses for people just starting out.
CCI in Greece and the EU context

The European cultural and creative sector is emerging as a global leader, with a world market share of 70%. (1) They are seen as “…a catalyst for innovation in industry and in the services sector…” and thus “…play a prominent role in the Europe 2020 strategy as they are contributing to a new type of growth…” (2)

According to the Hellenic Ministry of Culture and Sports: “The term 'cultural and creative industries' or 'culture and creativity industries' (CCIs) usually encompasses any enterprise producing marketable goods of high aesthetic or symbolic nature, the use of which aims at stimulating consumers' reactions stemming from this experience. The end good or service comprises an intellectual property and a product subject to the legislation on the protection of intellectual property rights. That is to say, the term covers a wide and diverse range of activities (performing and visual arts, design, architecture, advertising, publishing, audiovisual media, soft-ware etc.), relevant to the wider field of culture.”

From 2008 – 2014, employees, enterprises and added value of CCIs in Greece decreased, while they increased for the EU-28. In 2014 in Greece, the cultural and creative sector employed 110,688 employees in 46,370 enterprises which sold symbolic goods and services of about € 5.3 billion, with about € 2.1 billion added value for the Greek economy, and 1.4% contribution to the GDP. More than 71% of the creative enterprises in Greece are either a sole proprietorship or an enterprise with one employee. CCIs are currently showing signs of recovery, but there is potential for more growth and impact. (3)


Thessaloniki CCI Ecosystem and Human Talent

The city’s human talent features a notable creative community, particularly the graphic design scene, youth, and researchers. This human talent is mobilized most around universities, research centers, technology and innovation, tourism and international events. The city is a nation-wide pioneer in design since the 1980s, with about 1000 Graphic Designers & Multimedia Designers based in the city (2011 census), and international award-winning firms.

The creative and cultural community has strong links to the region’s tourism sector and the city’s emerging technology and startup ecosystem. Today, clusters of creativity with small shops, office spaces and studios (architects, graphic designers, arts and crafts, photography, film and music) have developed in areas of the city center, benefitting from decreased rent and empty commercial spaces.

In the last few years there are even more creative professionals, and new co-working or maker spaces, and organizations supporting the network of creatives, including initiatives like the START Fellowship (for the city and nation-wide)

These clusters have “saved” many areas from complete urban and social collapse, creating a thriving and dynamic urban environment and new types of businesses and working conditions - collaboration and multipurpose spaces that combine economic activity with community involvement.

Photo: @kapaniproject
European Cultural Capital 1997

A number of new museums are founded, and the iconic George Zongolopoulos’s Umbrellas sculpture is erected on the new waterfront. Shortly after, in 2000, the Thessaloniki Concert Hall is inaugurated.

Creativity For.Th, from 2012-2013, was the first collaboration of the municipality with local actors to strengthen the role of the city’s creative economy in the formation of the city’s contemporary identity.

The municipality also established LABattoir, a laboratory of applied creativity in the refurbished building of the old slaughterhouse in the western district of the city near the Port. Cultural and other institutions throughout the city increasingly use this space for local and international projects or events.

The municipality has committed to develop, in partnership with other key stakeholders, the first Action Plan for the Creative and Tech Industries for Thessaloniki. CEH Thessaloniki will be a leading partner in co-developing this Action Plan, positioning the HUB and Goethe Institut as a key player in the local creative economy ecosystem.
The power of the city’s creative and cultural economy

- There are **25 programs** bringing together public, private, and cultural institutions working in the creative and cultural economy. Most are multi-event, and many launched in the last few years during the economic recession;
- The creative and cultural economy has a **combined budget of more than 2 million EUR** from national and international funds, and a network of local companies with revenues ranging from 150,000 – 16 million EUR;
- There are approximately **150 partnerships**, including: schools, museums, universities, cities abroad, public-benefit foundations based in Athens, industry and business associations, Greece-European bi-lateral chambers of commerce, banks, the Ministry of Culture, European national institutes of culture, and more;
- There are more than **100,000 direct and indirect beneficiaries**, including artists, creators, creatives, designers, entrepreneurs, urbanists, freelancers, students, researchers, residents and tourists.

**Recommendations to support the emerging creative and cultural economy:**

- Better data collection at the city level and in partnership with the municipality to encourage more European programs, funding and international festivals to connect with the city’s creative talent, economy and society.
- A city-level strategy, including actions to facilitate international ties and connect local creative professionals with leading businesses such as large hotels.
- Support from municipalities to increase collaboration and make more event spaces like LABattoir available. This will create more international networking and collaboration opportunities and help to reach new partners, artists, creatives, experts, and markets.

**Source:** Survey of the leading organizations active in the cultural and creative sector, including those organizing the biggest programs and events for artists, creators, entrepreneurs, residents, visitors and local groups.

**Participants:** ArtBOX, British Council, Creativity Platform, German Hellenic Chamber of Commerce, Goethe Institut Thessaloniki, Municipality of Thessaloniki Culture Department, Open House Thessaloniki, State Museum of Contemporary Art.
Local Hubs and Incubators

Co-working spaces
OK!Thess
coho
Innovation Farm
Venture Garden
ThermiLink

Maker spaces
MAKE Creative Space
Lambdaspace

Event + Multi-use spaces
Spacelab
Ypsilon
Apo Dec

Events, Actions, Trainings, Tours
Artecitya
Creativity Platform
Communitere
Handpeak
MADE in Thessaloniki (by Open House Thessaloniki)
STAMP festival
Kapani Project
The Need:

Introduce more business and entrepreneurial skills to the creative and culture community to boost the creative and cultural economy.
The City: History and Culture

Thessaloniki HUB and the Local Ecosystem

- Thessaloniki HUB
- High-potential CCI teams from Thessaloniki and the region

- Youth
- Cultural sector
- Creative community
- Tourism and hospitality sector
- Tech and startup ecosystem

- Private sector
- CCI in Germany
- CCI entrepreneurs in Greece
- HUBs in South Africa and Indonesia
- Policy-makers

Thessaloniki HUB
The Business Model

We will explore and pursue national and EU funding opportunities, and submit 1 project proposal to get funding in Year 1 for the Hub activities and operating costs in the first years. We will also begin discussions with the German-Hellenic Chamber of Commerce, to explore potential collaboration, and identify potential private sector investors.

This is the initial fundraising plan, given the economic situation in Greece and resulting limited capital SMEs and intermediary business/entrepreneurship support entities. We will further develop this business model within the next 6 months.

At the same time, we will seek cooperation with banks and microfinance or business awards/competitions to raise awareness around CCI, and encourage more financial resources directed towards CCI startup teams.

**Relevant National and EU funding mechanisms:**
- ENPI CBC Programme
- ERASMUS +
- Creative Europe
- European Territorial Cooperation Programme Greece Bulgaria 2014-2020
Thessaloniki HUB Action Plan

Objectives:
• Find and coach 2-4 high-potential CCI startups or teams
• Local artists have more business skills and stronger local ecosystem
• More business opportunities and resources for local ecosystem
• Put CCI on the public agenda

Year 1: Introduce more business skills into the local ecosystem while we search for high-potential CCI teams/entrepreneurs

Activities:
- Business skill workshops
- Coaching sessions
- 1 networking event or ‘matchmaking event’ to allow creative and artists to connect with people in other sectors and form diverse teams
- Fundraising for Year 2 – submit one proposal for national or European funding
- Meetings with policy makers and private donors to introduce the HUB and CCI potential for Thessaloniki
- Contribute to the first Action Plan for the Creative and Tech Industries for Thessaloniki

Year 2: Find and coach 2-4 high-potential CCI startups or teams. Scale up the HUB

Activities:
- Fundraising and closing deals.
- Coaching high-potential CCI teams/entrepreneurs.
- Additional business skill workshops for local artists, to continue building a pipeline of high-potential CCI businesses.
- 1 high level event for policy-makers
- Fundraising for Year 3- submit two proposals for national or European funding
- Additional meetings with policy-makers and private donors/investors to introduce the HUB and CCI potential for Thessaloniki
- 1 matchmaking event to link creatives with ICT and business teams
Thessaloniki HUB Team

Aphrodite Bouikidis
Urban and Social Innovation Consultant

Dimitri Ntempos
Project Manager at OK!Thess, Web development and Operations Management

Christina Skoubridou
Creativity and Innovation Design Consultant
Goethe Institut and Strascheg Center Support

We would like the following support:

• Funding for the start up period
• Mentoring
• Access to German CCI ecosystem – identify featured speakers or mentors to come to Greece, facilitate connections if Greek CCI entrepreneurs are in Germany.
• Ability to apply through Goethe Institut or Strascheg Center for national and EU funding mechanisms (legal entity is required)

Thank you.