

## **EARTO Response to the EC Consultation on EU Startup and Scaleup Strategy**

12 March 2025

EARTO welcomes the EC's initiative to develop a comprehensive [European Startup and Scaleup Strategy](#) and underlines the crucial role of Startups and Scaleups for the EU's competitiveness. To answer the European Commission (EC)'s public [consultation](#) on the European Startup and Scaleup Strategy, EARTO would like to highlight the key role of Research and Technology Organisations (RTOs) in fostering and scaling deep-tech startups within Europe and to offer EARTO members' expertise to further work in defining as well as, later on, implementing this new EU strategy.

### **RTOs as Catalysts for Deep-Tech Startup Creation**

RTOs are instrumental in transforming cutting-edge research into market-ready innovations. Their unique positioning between fundamental research and industrial application enables them to effectively bridge the gap between scientific discovery and commercial viability. They generate breakthrough technologies and provide essential support for their commercialisation through spinoff companies. Unlike traditional digital startups, deep-tech startups rely on intensive R&D, high capital expenditures, and long development cycles, making the role of RTOs even more critical. RTOs mitigate these challenges by offering cutting-edge research facilities, access to top-tier scientific expertise, intellectual property (IP) protection strategies, and pathways to market entry.

An EARTO Economic Footprint [Study](#) of 15 RTOs in October 2024 underscores RTOs' role, particularly in the creation and nurturing of deep-tech startups. More precisely, the study reveals that RTOs have been pivotal in establishing 393 deep-tech spin-offs, active during the period 2021-2022, which demonstrated a high survival rate and significant growth potential (See examples of Startups' creation from EARTO member [CEA](#), [Fraunhofer](#), [IMEC](#), [TNO](#), [VTT](#), [TECNALIA](#), [EURECAT](#)).

In addition, through their Technology Transfer Offices (TTOs) and their own ventures, RTOs help researchers transform scientific discoveries into viable business ventures by facilitating team formation, securing early-stage funding, and navigating complex regulatory landscapes (see also RTOs activities with the support of the European Investment Fund (EIF) [here](#)). Furthermore, RTOs contribute to industrial reindustrialisation by enabling deep-tech startups to collaborate with manufacturing and industrial partners, ensuring these ventures scale successfully within Europe. Their involvement significantly enhances the likelihood of success for deep-tech startups, with reported success rates exceeding 80% after five years<sup>1</sup>.

### **The Way Forward**

As we look ahead to the future, structural challenges such as funding gaps, regulatory hurdles, and a lack of specialised venture capital impede the full realisation of deep-tech Startups' potential. Especially, we would like to point out the work done by the [European Technology Transfer Offices \(TTO\) Circle](#) managed by the European Commission Joint Research Centre who brings together the ventures and experts on Spinoffs/Scaleups from large RTOs together. It will be worth for the new EU Task Force on Startups to have a look at the upcoming report on Deep-Tech Entrepreneurship in Europe and the crucial role of RTOs in fostering impactful industrial Spinoffs by the TTO Circle, which brings several actionable policy recommendations aimed at unlocking the full potential of deep-tech entrepreneurship, such as:

- **Strengthening RTOs' Role and Financial Support for Deep-Tech Spinoffs and Scaleups:** Strengthen RTO support for deep-tech spin-offs with new financial instruments, based on the multiplying effect on deep-tech ecosystems and innovation that these RTOs produce.
- **Fostering the Creation of Deep-Tech Venture Builders:** Establish deep-tech venture builders staffed with top and complementary talents, including former entrepreneurs, PhDs, financial profiles, and ex-management consultants, to collaborate with TTOs in transforming RTO-developed technologies into marketable products, integrated in deep tech spinoffs led by well-rounded teams that become attractive investments for smart capital.

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<sup>1</sup> <https://www.earto.eu/wp-content/uploads/EARTO-Paper-How-to-Exploit-the-Untapped-Potential-of-RTOs-Deep-Tech-Start-ups-in-Europe-12-04-2017.pdf>

- **Promoting the creation of European VCs** focused on creating, developing, and scaling industrial and tangible companies, diversifying investment opportunities, and promoting innovation across various industries.
- **Fostering the transfer of deep-tech industrial know-how** related to industrialisation, scaling business models, IP, and other related topics, connecting deep-tech Startups at a pan-European level.

RTOs are vital engines of deep-tech entrepreneurship, transforming cutting-edge research into impactful industrial innovations. By integrating these recommendations, the EU Startup and Scaleup Strategy can effectively harness the capabilities of RTOs, driving the success of deep-tech startups and reinforcing Europe's position as a leader in innovation.

EARTO remains committed to supporting the European Commission and Member States in shaping and contributing to the successful implementation of this strategy.

#### **EARTO papers on Start-ups and Scale-ups' creation and support:**

- [RTOs' success stories](#) - RTOs' Pivotal Role in Advancing EU Tech Development & Fostering Industry, Start-ups and Scale-ups Ecosystems (11 March 2025)
- EARTO Economic Footprint Study of 15 RTOs in 2024 – [Full report](#) (19 November 2024)
- EARTO Economic Footprint Study of 15 RTOs in 2024 – [Summary Brochure](#) (19 November 2024)
- EARTO Webinar on EIF – [Presentation](#) (21 April 2023)
- [EARTO Paper on How to Exploit the Untapped Potential of RTOs' Deep-Tech Start-Ups in Europe](#) (12 April 2017)

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#### **EARTO - European Association of Research and Technology Organisations**

Founded in 1999, EARTO promotes RTOs and represents their interest in Europe. EARTO network counts over 350 RTOs in more than 31 countries. EARTO members represent 228,000 highly-skilled researchers and engineers managing a wide range of innovation infrastructures.

#### **RTOs - Research and Technology Organisations**

From the lab to your everyday life. RTOs innovate to improve your health and well-being, your safety and security, your mobility and connectivity. RTOs' technologies cover all scientific fields. Their work ranges from basic research to new products and services' development. RTOs are non-profit organisations whose core mission is to produce, combine and bridge various types of knowledge, skills and infrastructures to deliver a range of research and development activities in collaboration with public and industrial partners of all sizes. These activities aim to result in technological and social innovations and system solutions that contribute to and mutually reinforce their economic, societal and policy impacts.

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