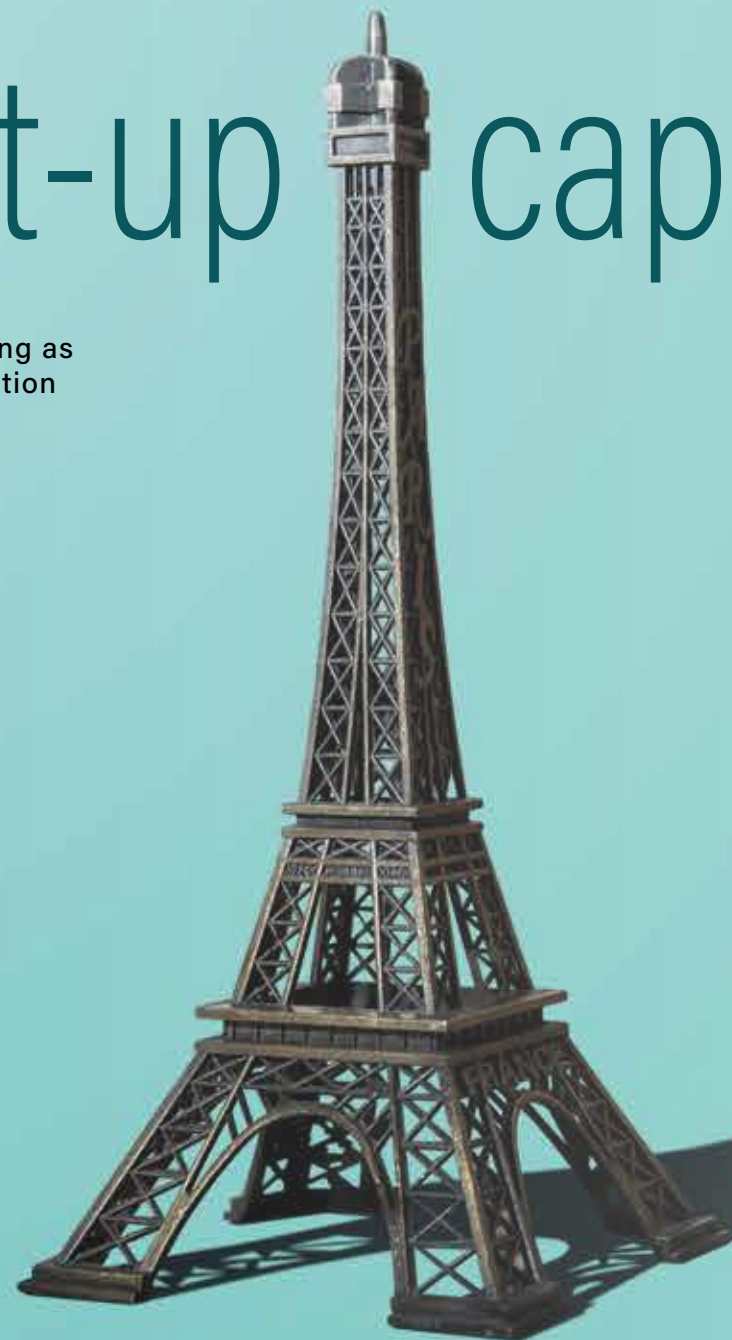


Start-up capital

Paris is becoming increasingly appealing as a location for innovation



My arrival in Paris was well timed, it being the first cool evening after the capital's record-breaking 42-degree heatwave – a godsend for the Tour de France cyclists making their final sprint to the Champs-Élysées. There was barely a bike to be seen, though – instead, what caught my eye was the vast number of *trottinettes* (electric scooters) propped up along the city's boulevards.

It's estimated that there will be about 40,000 of these vehicles in the city by the end of the year, thanks to companies such as Bird setting up here. This is just one sign of Paris's new chapter as a start-up capital, with the city currently ranked as the ninth start-up ecosystem in the world, according to Startup Genome, up from 11th place in 2017.

LOOK OUT, LONDON

It was in 2017, shortly after he won the election, that President Emmanuel Macron spelled out his vision for France's tech future to a room full of start-ups and digital professionals at the Viva Technology conference. Macron urged the country to "think and move like a start-up", concluding with the rousing statement: "Entrepreneur is the new France." This year's event attracted 124,000 people, playing host to 450 speakers and almost 13,000 start-ups, a 24 per cent increase on last year.

To take the title of European tech capital from London, Paris will rely on poaching foreign talent – a task arguably being made easier by the Brexit saga. Julie Ranty, managing director of Viva Technology, stresses that Brexit won't be "a game changer" but "might represent an advantage".

Start-up accelerators are already seeing a growth in UK applicants owing to projects such as the recently revamped French Tech Visa – a fast-track procedure open to start-up founders, employees and investors – and the Join the Game campaign. The latter targets British tech firms through an online English-language guide to business and residency laws, tax rates and available funding.

WORDS HANNAH BRANDLER



ABOVE: Electric scooters have proliferated in the city over recent years

Macron is not the reason for the growth in the sector. Many point to the public investment bank Bpifrance as a vital player. At the start of this year, the bank launched 25 SME accelerator programmes and aims to accelerate 4,000 companies by 2021. "It encouraged people to take the risk and [provided] the first access to capital. This was a real trigger in the acceleration and emergence of the French start-up ecosystem," Ranty says.

Nonetheless, Macron has improved the perception of France globally, helping to transform Paris into a welcoming city for start-ups. Ukrainian entrepreneur Leonid Goncharov tells me that he "was absolutely convinced that [France] was not a start-up country". Yet, nine years since he launched

his co-working venture, Anticafé, located in eight sites across Paris, it is a huge hit – it has become a franchise and there are now 13 venues, including one in Rome, Italy.

"Macron has definitely contributed to this [over the past couple of years] from a perception point of view," Goncharov says. A survey conducted last year by Paris start-up campus Station F found that 86 per cent of its residents agreed Macron had changed France's image. Entrepreneurship, according to Goncharov, "is something cool, something people strive for, something the best schools teach".

In 2016, billionaire businessman Xavier Niel, the founder of mobile operator Free, set up Ecole 42 for this reason. The free computer coding university, housed in a 17th arrondissement building referred to as the "Heart of Code", has been so successful that there are now campuses in Silicon Valley, Madrid and Lyon, as well as partnerships with schools in Belgium, Morocco, Finland, the Netherlands and Russia. Ecole 42 expects to have 18 campuses worldwide by the end of next year.

ACTION STATION

Still, funding is a bugbear for the city. Ranty says: "Our main challenge is to create more digital giants, more unicorns." Whereas money once came from the public sector, Macron is now making inroads into the private



START-UP SUCCESS STORIES

DOCTOLIB

Set up five years ago, Doctolib is the largest digital health start-up in Europe and recently became one of France's unicorns after securing an additional €150 million funding in a round led by General Atlantic. The medical appointment service connects patients and healthcare professionals, with 30 million monthly online visits. **doctolib.fr**

MEERO

Founded in 2016, this is a platform for freelance photographers to offer their services. Companies can source photographers and get professional images within 24 hours. The platform has 58,000 members and joined the unicorn community earlier this year. **meero.com**

ALAN

This start-up is the first licensed digital health insurance company in France since 1986. It aims to provide more transparent services and help its user base of 27,000 to find and book doctors. **alan.com**



DEEZER

France's music streaming service allows people to listen to more than 56 million songs online and offline. Active in more than 180 countries, with 14 million users, it became a unicorn last year. **deezer.com**

BLABLACAR

Launched in Paris back in 2006, this carpooling platform connects people heading in the same direction, saving costs and carbon fuel. The unicorn now has a community of 80 million drivers and passengers in 22 countries, and recently launched BlaBlaBus in five European countries. **blablacar.co.uk**



ABOVE: La Felicità food court in Station F; the Viva Technology conference takes place each year

THE FEMALE FACTOR

Throughout the city, there is also a strong focus on promoting women in tech, given that globally only 14.1 per cent of tech founders are women, according to Startup Genome. An Ipsos survey for Viva Technology found that 63 per cent of young women expressed interest in working for a start-up, only 1 per cent less than men. For this year's conference, Ranty implemented a quota so that 40 per cent of speakers were women, while a "Female Founder Challenge" event comprised meetings between venture capital firms and female-led start-ups, and a pitch contest. Some 45 per cent of Station F's companies are female-founded, while the campus is run by director Roxanne Varza. Last month, Station F held an all-female conference, and has banned all-male panels on campus. →

62 realm, securing €5 billion from investors to boost tech companies over the next three years, with the aim of reaching 25 unicorns (privately held start-ups valued at more than €1 billion) by 2025.

For this to succeed, the country is reliant on independent ventures such as Station F, a €250 million project launched by Niel last year. The campus offers accelerator schemes for early-stage businesses, from its "Founders" and "Fighters" programmes to 29 others from the likes of Facebook and Microsoft. The 34,000 sqm space in the 13th arrondissement on the Left Bank is the base for 1,200 start-ups, 3,000 workstations, eight event spaces and 60 meeting rooms.

The best way to appreciate its huge size is to approach it from the opposite end, as I did, and walk its 310-metre length, the equivalent of the Eiffel Tower laid flat, to reach the entrance. To make life easier for those who use the place, there are "public streets" for shortcuts between the three zones – "Share", "Create" and "Chill". The reception sets the tone for the design of the space, with a hologram projected overhead. It's rather futuristic, and security is high, with a badge needed to access every zone apart from Chill. This area houses La Felicità, a colourful 1,000-seat food court from the Big Mamma Group – a burgeoning dining start-up that recently expanded into London with its restaurants Gloria in Shoreditch and Circolo Popolare in Fitzrovia. Other on-site benefits include a lab with 3D printers and laser cutters, and more than 40 venture capital firms to whom entrepreneurs can pitch.

When I visited at the end of July, young entrepreneurs were hard at work in the pod-like meeting rooms, which

jut over the vast central area. According to Station F, 42 per cent of them come in on weekends and 18 per cent have spent a night on campus. It seems as if their work ethic is paying off – between June 2018 and June 2019, Station F's start-ups collectively raised €317 million.

Once signed up to a programme, you can still apply to the other schemes on offer. Take Wilov, the first pay-when-you-drive car insurance app. Initially on the Founders scheme, it was later selected by Startup Garage from Facebook, a six-month programme for data-driven start-ups. Wilov's chief executive, Pierre Stanislas, and chief technology officer, Philippe Breuils, were thrilled. "The team facilitate interactions with people you would never have been able to access previously," says Breuils, citing senior people in Silicon Valley as an example. Wilov has since featured as an "Editor's Choice" on the Apple App Store, the only insurance app to receive the accolade.

The monthly desk price is €195, or free in the case of the Fighters programme – a considerable selling point given that the average price of a desk in Paris is €703 per person per month, according to Instant Offices.

In June the company moved into the co-living sphere with the 100-apartment housing extension "Flatmates". Rent starts at €399 per month for a standard room with shared bathroom. "Housing is a main pain point for people coming from outside Paris," says Grégoire Martinez, head of community and communications; a third of its start-ups come from outside of France. Other ideas in the pipeline include a five-star hotel for visiting venture capital firms and high-profile people – there are few large hotels in the area.



ABOVE: Pod-style meeting rooms at Station F; Wilov is the first pay-when-you-drive car insurance app

PATRICK TOUNEBOUF; JEROME GALLAND; MEERO - VIVA TECHNOLOGY 2019



Throughout the city, there is a strong focus on promoting women in tech

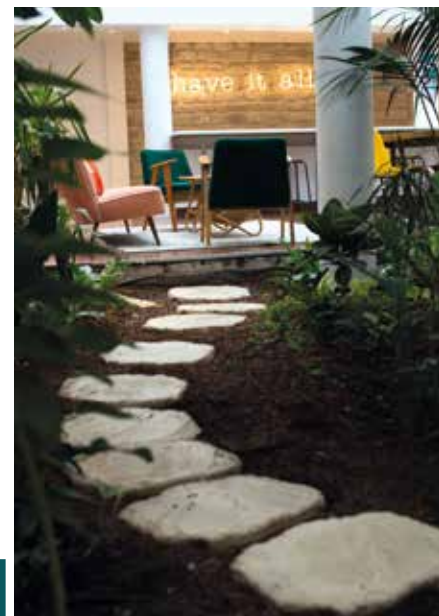
Willa, formerly Paris Pionnières, takes it one step further. Defining itself as an *accélérateur de mixité* (an incubator for equality), it is dedicated to female-founded businesses; men are allowed, but start-ups must have at least one female founder. Why Willa? “Will’ is an expression of the future and the ‘a’ brings a feminine note. W also stands for women, winners, and so on,” says head of operations Erwan Peron-Kergourlay. The three-floor space lies in the buzzy second arrondissement, with meeting rooms named after successful women – I spotted the likes of Sheryl (Sandberg, Facebook’s chief operating officer) and Oprah (Winfrey). There’s a lot of work to be done, however, with only 8 per cent of Paris start-ups having been founded by women, joint lowest with Seattle in the top 15 global start-up ecosystems, according to Startup Genome.

RED TAPE CHALLENGE

It won’t come as a shock to those with business dealings here that France’s complicated bureaucracy hinders growth, a reason for its lack of unicorns – it currently only has five. Goncharov argues that, despite Macron’s efforts, the main challenge still lies in people’s perception of start-ups. “In France particularly, people are so used to comfort, protection and security [in their work contracts], that they’re not striving to go further and take risks... This is changing but far slower than I would like it to,” he says.

Start-up guarantor service Unkle sets out to circumvent French bureaucracy by guaranteeing the solidity of a rental application to landlords, paying the owner if the tenant cannot. To rent in France, you need a permanent work contract, a strong guarantor, a bank account, and a salary three times the rent. “The four requirements are totally inappropriate,” says co-founder Matthieu Luneau. I can relate – as a former foreign student in Paris, I was faced

ABOVE: Willa is dedicated to female-founded businesses



with the nightmarish task of finding a decent flat and ended up sub-letting. “The Paris property market is very competitive so the best apartments go quickly,” Luneau says. “[We] allow people to have the same chance as others.” Users have to provide an identity card and a work contract (or bank account details for students), and pay 3.5 per cent on top of the rent each month to have the guarantor.

Station F offers lots of support for its users. Entrepreneurs can have one-to-one meetings with representatives of more than 30 public administrations to get advice on French laws and regulation. Amazon Web Services, Google and OVH also offer workshops on building and scaling businesses. Macron has promised to reform labour regulations and cut taxes to boost innovation.

It’s tempting to see Paris as the driving force for change, but Breuils makes the case that the rest of France is just as important. “What happens in Paris does tend to hide what’s going on in the regions... We believe that we have a strong hub in Paris from a European perspective, but having [start-ups] in the regions is also instrumental [in transforming France into] a start-up nation.” The city’s ecosystem value currently stands at US\$19 billion, so still hasn’t made Startup Genome’s Leaders category needing to generate at least US\$30 billion.

Yet Paris is on the path to success. As well as the initiatives covered above, UK incubator Founders Factory has launched in Paris in partnership with insurance firm Aviva France, and plans to design, build and scale more than 140 tech start-ups over the next five years. The prospect of more unicorns doesn’t sound quite so mythical anymore. **BT**

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Depuis la terrasse panoramique du premier restaurant embarqué dans un bus impériale

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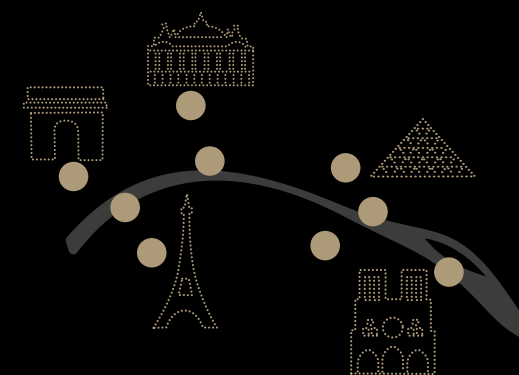
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