

# DENMARK: A UNICORN FACTORY

But Why Do They Leave?

## 2023



# INDEX

DENMARK: A UNICORN FACTORY	1
KEY FIGURES	2
DENMARK IS GREAT AT CREATING UNICORNS...	3
..BUT TERRIBLE AT MAKING THEM STAY	4
THE NEXT GENERATION OF UNICORNS IS RISING	7
WHO ARE THE DANISH RISING UNICORNS?	8
ALL UNICORNS WERE FOALS ONCE	9
ASKING THE EXPERTS	12
HOW DO WE FOSTER MORE UNICORNS?	13
HOW DO WE MAKE THE UNICORNS STAY?	16
FRAMEWORK CONDITIONS	19
ABOUT THIS PAPER	22

# DENMARK: A UNICORN FACTORY

**Denmark is great at producing unicorns, but terrible at making them stay. With a population of less than 6 million people, Denmark has done incredibly well when it comes to producing tech companies with a valuation above 1 bn USD– so-called unicorns. In total 13 unicorns have been founded in Denmark, but many of them have moved their headquarters abroad.**

Innovative minds in Denmark repeatedly demonstrate their ability to deliver world-class solutions to global challenges. This goes many years back - developing new ways of learning with Lego and treating diabetes with Novo Nordisk – and into the future. Since the year 2000, Denmark has produced 13 new unicorn companies, but unfortunately Denmark has seen over half of them relocating their headquarters to other countries. This means that Denmark misses out on jobs, tax revenue, and innovation.

Unicorns should be able to grow and operate a global business from a small economy like Denmark. Other small economies like Sweden and the Netherlands have not only fostered more unicorns than Denmark but have also created regulatory environments that encourage these unicorns to stay.

Denmark is an attractive place to live, with great international connections, low costs of living, and a high level of security. Denmark should leverage these benefits to create a global startup hub. Unfortunately, the regulatory framework for scaling a company in Denmark is not globally competitive. When founders are forced to move their company out of Denmark to scale, Denmark do not only lose jobs today, but also future job creation and creativity.

In this report we interview 10 founders of unicorns, rising unicorns, and promising startups to unfold their perception of the most crucial barriers there is in Denmark when it comes to foster new unicorns and keeping unicorns in Denmark. The founders emphasize the necessity of regulatory changes to ensure access to talent, funding, innovation, and the cultivation of a strong entrepreneurial culture. These recommendations will be unfolded in this report.

Enjoy the read!



Jasmina Pless  
Head of Entrepreneurship  
Danish Chamber of Commerce



# KEY FIGURES

2.3 unicorns per capita (million) have been founded in Denmark. This is higher than both the UK (1.7) and Finland (1.3).

Nine out of 13 unicorns founded in Denmark have moved their headquarters out of the country.

In Sweden, a total of 32 unicorns have been founded. In Denmark it is only 13.

69 % of unicorns have moved out of Denmark, while only 9 % have moved out of Sweden.

Denmark has 6.6 rising unicorns per capita (million). That is higher than Norway (5.5), Sweden (6.0), and Finland (3.8).

9.8 % of Danes aged 18-64 are new entrepreneurs. This is higher than Norway (6.5 %) and Sweden (9.1 %).

Better access to foreign talent and better opportunities for warrants rank as most crucial to foster new unicorns.

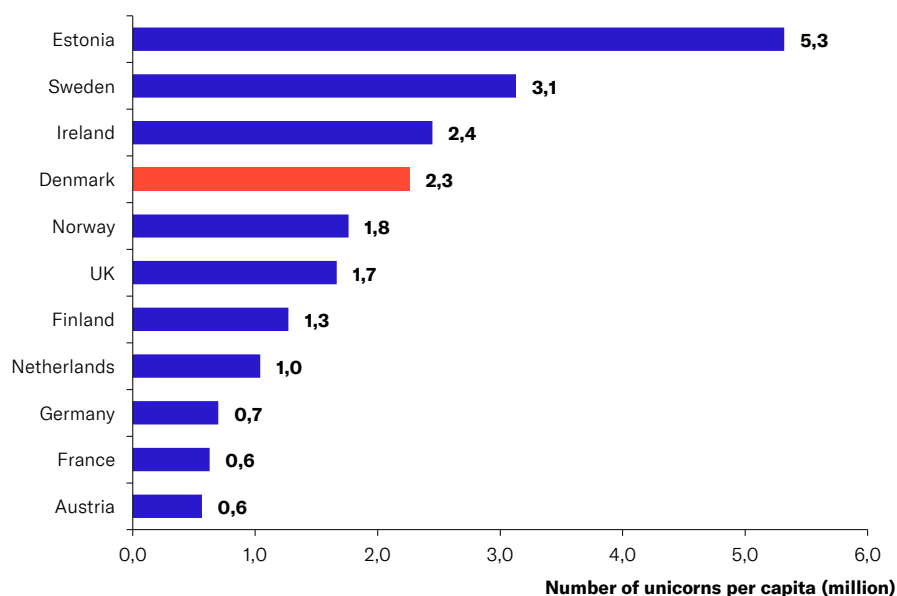
Better access to foreign talent and better conditions for IPO's rank as most crucial to keep unicorns in Denmark.

# DENMARK IS GREAT AT CREATING UNICORNS...

When startups grow really big, they are often referred to as unicorns. The mythical term covers tech companies founded from 2000 and onwards with a valuation over 1 bn USD. Denmark does not lack good ideas. In fact, Denmark is well-positioned when it comes to the number of unicorns originally founded in the country. Denmark is also blessed with free education, resulting in a well-educated population that has been culturally encouraged to think creatively and critically. This could be some of the reasons behind the high number of unicorns produced per capita in Denmark.

Unfortunately, a vast majority of these unicorns have moved out of Denmark – often before achieving their unicorn status. When looking at the number of unicorns founded in Denmark per one million capita, Denmark is well-positioned compared to several other European countries, as shown in figure 1.

Figure 1: **Number of unicorns founded in selected countries, per capita (million)**



**Source:** Dealroom, Data Commons, and own calculations














**Note:** Number of unicorns founded in selected countries from 2000 and onwards. Unicorns sorted by "founding" from Dealroom. Population figures from 2021. Unicorns included in this analysis have been or are currently valued at 1 bn USD. This does not necessarily mean that they still maintain the same valuation.

# ..BUT TERRIBLE AT MAKING THEM STAY

Despite Denmark's ability to found unicorns, many of them end up moving their headquarters out of Denmark. This means Denmark misses out on job creation, tax revenue, and innovation. Denmark is ahead of the UK, Finland, and the Netherlands in terms of the number of unicorns founded per capita, but far behind when looking at how many of the companies that stays.

Since 2000, Denmark has been the birthplace of 13 new unicorns, but nine of them have relocated their headquarters out of Denmark, often to the UK or the US, see figure 2. This accounts for nearly 70 percent of the total number of unicorns founded in the period from 2000 to 2023. Many unicorns move to countries with better regulatory frameworks to scale.

Figure 2: **Danish Unicorns founded since year 2000**

	Company		Founded	Number of employees	HQ
	Just Eat	Moved	2001	14.046 (1,9 pct. in DK)	UK
	Zendesk	Moved	2001	7.143 (1,8 pct. in DK)	US
	SteelSeries	Moved	2001	361 (14,1 pct. in DK)	US
	Unity Software	Moved	2005	7.750 (4,1 pct. in DK)	US
	Ascendis Pharma		2006	825 (51,4 pct. in DK)	DK
	Sitecore	Moved	2007	2.062 (3,9 pct. in DK)	US
	Trustpilot		2007	981 (33,4 pct. in DK)	DK
	Tradecraft	Moved	2010	646 (13 pct. in DK)	US
	Chainalysis	Moved	2014	889 (4,2 pct. in DK)	US
	Lunar		2015	685 (73,7 pct. in DK)	DK
	Pleo		2015	867 (30,7 pct. in DK)	DK
	Netlify	Moved	2015	260 (0 pct. in DK)	US
	Synthesia	Moved	2017	238 (6,72 pct. in DK)	UK

**Source:** Dealroom 2023, Association for Listed Growth Companies 2023 and own research

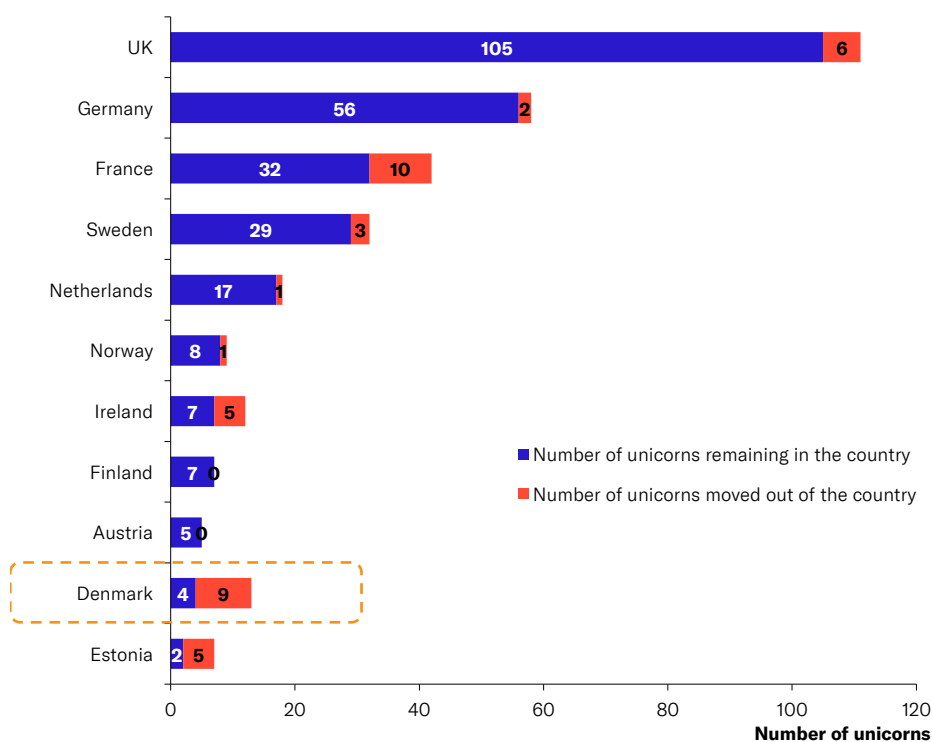
**Note:** Danish tech unicorns founded after 2000 are based on data from Dealroom. Dealroom defines a unicorn as a rapidly growing company (and tech-driven) that has reached a valuation of 1 billion dollars based on a funding round, acquisition, or an IPO (realized). The following Danish unicorns founded before 2000 have been omitted: Saxo Bank (1992), Bavarian Nordic (1992), Zealand Pharma (1998), Veloxis (1999), and Genmab (1999). SteelSeries is listed by Dealroom with HQ in the USA. Year of establishment, valuation, and headquarters are based on Dealroom data. The number of employees is based on a report from the Association for Listed Growth Companies, where data was collected from LinkedIn or the company's website as of January 5, 2023. Unicorns included in this analysis have been or are currently valued at 1 bn USD. This does not necessarily mean that they still maintain the same valuation.

**"32** unicorns

have been established in Sweden compared to only 13 in Denmark."

Sweden shows a completely different trend. Despite similarities in culture, market size, and welfare system between Sweden and Denmark, there is a significant difference in their ability foster and keep unicorns. Sweden has established a total of 32 unicorns and only three of them have moved out of the country. On the contrary 9 out of 13 unicorns founded in Denmark have relocated, as shown in figure 3. In 2022 alone, Sweden created six new unicorns, while Denmark created none.

Figure 3: **Number of unicorns founded in selected countries that have respectively remained and relocated.**



Source: Dealroom.co, March 2023

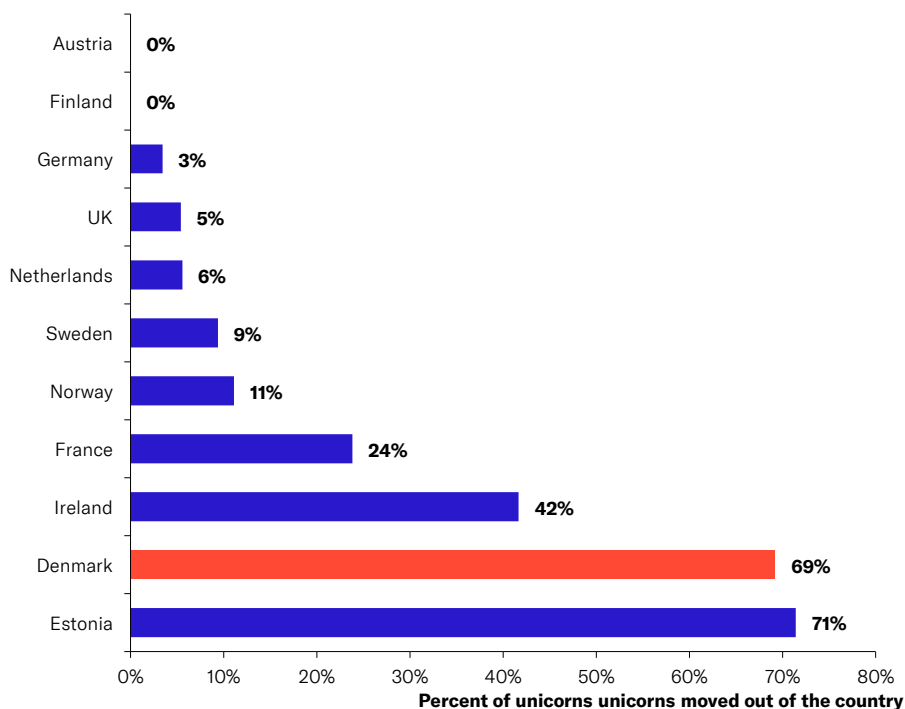
Note: Number of unicorns founded in selected countries from 2000. Unicorns sorted by "founding" from Dealroom. Population figures from 2021.

**”69** percent

of unicorns have moved from Denmark. Only 9 percent have moved from Sweden.”

69 percent of unicorns founded in Denmark have moved out. In comparison, it is only 9 percent in Sweden, 6 percent in the Netherlands and 0 percent in Finland, even though all three countries being small economies with a small market size like Denmark, see figure 4. This shows that unicorns do not solely relocate due to the size of the domestic market and that other small economies have been able to retain their successful startups by creating competitive framework conditions and incentives to stay.

Figure 4: **Proportion of unicorns founded in selected countries that have moved out of the country in percent**



**Source:** Dealroom.co and own calculations

**Note:** Unicorns founded in selected countries from 2000 onwards. Unicorns sorted by "founding" according to Dealroom.



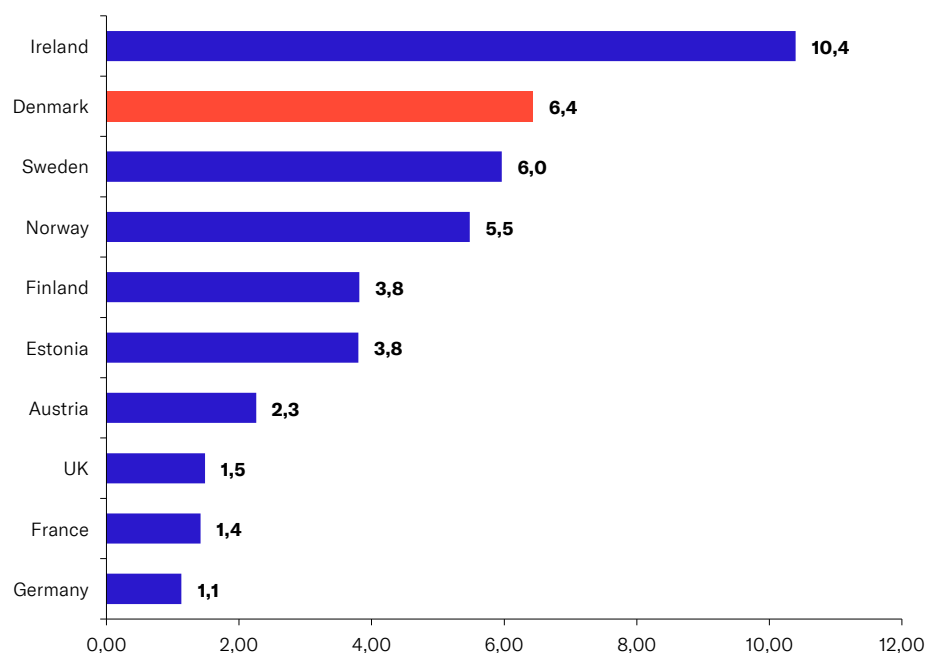
# THE NEXT GENERATION OF UNICORNS IS RISING

Denmark has substantial number of emerging tech companies that possesses a strong potential to evolve into unicorns in the future. We call these companies “rising unicorns”. However, without establishing the appropriate framework, these companies might opt to relocate from Denmark before achieving unicorn status.

The Danish Chamber of Commerce define a rising unicorn as a startup founded after year 2000, that has secured funding above 50m USD.

Denmark has a noteworthy count of rising unicorns, exactly 6.4 per capita (million). That is more than other small Nordic economies like Norway (5.5), Sweden (6.0) and Finland (3.8) – This indicates that there is a potential for Danish founded unicorns in the future.

Figure 5: **Number of rising unicorns founded in selected countries, per capita (million).**



**Source:** Dealroom and own calculations

**Note:** We define rising unicorns as companies founded from year 2000 that have raised more than 50m USD in capital. Companies already marked as unicorns are excluded.

# WHO ARE THE DANISH RISING UNICORNS?

Denmark has 37 rising unicorns in total. But three of these have already transferred their headquarters to destinations like the US or Portugal, see figure 6.

Figure 6: **Number of rising unicorns founded in selected countries, per capita (million).**

Company	Founded	Capital raised in US\$	HQ
Symphogen	2000	316	Denmark
IO biotech	2015	227	Denmark
Vivino <span>MOVED</span>	2010	211	United States
Hemab Therapeutics	2019	190	Denmark
Podimo	2019	172	Denmark
Dixa	2015	158	Denmark
Labster	2011	151	Denmark
NORNORM	2020	145	Denmark
Everfuel	2019	134	Denmark
Templafy	2014	121	Denmark
Veo	2015	114	Denmark
Minervax	2010	103	Denmark
Blue Ocean Robotics	2013	100	Denmark
ADCendo ApS	2017	96	Denmark
OnRobot	2015	95	Denmark
21St,Bio	2020	95	Denmark
ADCendo	2017	90	Denmark
Lenus eHealth	2016	85	Denmark
FRVR <span>MOVED</span>	2014	82	Portugal
Agreena	2018	81	Denmark
NMD Pharma	2015	80	Denmark
Santaris Pharma	2003	78	Denmark
eloomi	2015	77	Denmark
Too Good To Go	2015	75	Denmark
Peakon <span>MOVED</span>	2015	73	United States
Muna Therapeutics	2020	73	Denmark
Leapwork	2015	72	Denmark
ViaBill	2014	72	Denmark
BLASTPremier	2016	63	Denmark
Orphazyme	2004	59	Denmark
Planday	2004	56	Denmark
Siteimprove	2003	55	Denmark
ENORM	2016	55	Denmark
Monta	2020	55	Denmark
kompasbank	2021	55	Denmark
SNIPR Biome	2017	50	Denmark
ZeroNorth	2020	50	Denmark

**Source:** Dealroom

**Note:** We define rising unicorns as companies founded from year 2000 that have raised more than 50m USD in capital. Companies marked as unicorns is excluded.

# ALL UNICORNS WERE FOALS ONCE

**To foster the creation of unicorns, a country must establish a funnel of new, ambitious entrepreneurs. In Denmark, the number of new entrepreneurs per capita falls slightly below the OECD-average.**

The presence of a thriving entrepreneurial ecosystem holds the potential to foster more unicorns. Although there is no direct link between a high number of entrepreneurs and high numbers of unicorns it is still important for a country to create an entrepreneurial culture to have a pipeline for new unicorns to be made.

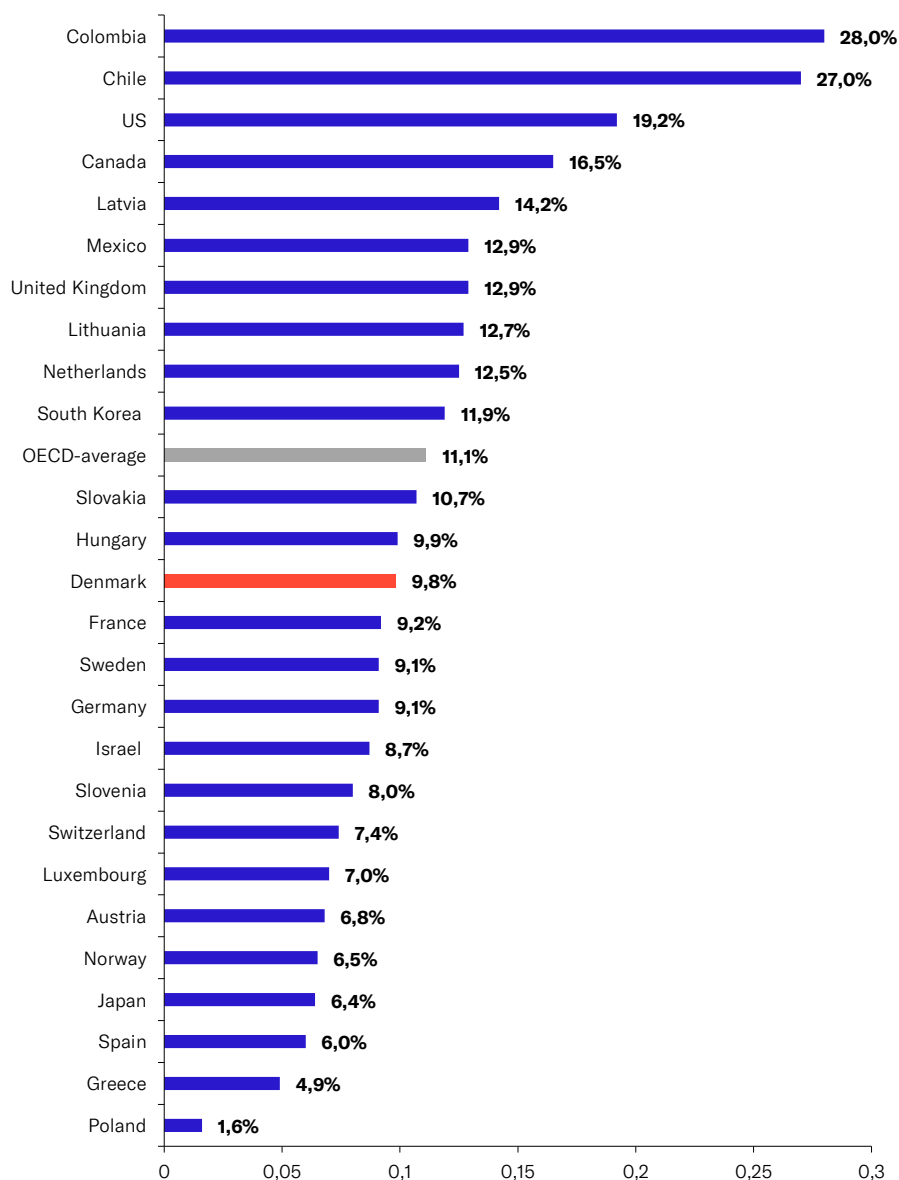
Denmark currently falls below the OECD-average when it comes to the proportion of new entrepreneurs. 9.8 percent of Danes aged 18 to 64 are new entrepreneurs. This is below the OECD-average of 11.1 percent. However, Denmark has a slightly higher ratio of new entrepreneurs compared to neighboring countries, such as Sweden (9.1 percent) and Norway (6.5 percent), see figure 7.

Fundamentally, the importance of entrepreneurs is crucial for all countries. Therefore, countries need to ensure that entrepreneurs have the best possible framework conditions to start a business and grow their business. How Denmark can improve conditions for startups will be unfolded in the following chapters.

**”9.8** percent

**of Danes are new entrepreneurs. That is below the OECD average, but higher than neighboring countries like Sweden and Norway.”**

Figure 7: **The percentage of the population aged 18-64 who are new entrepreneurs, by country within the OECD cooperation, 2022/2023.**



**Source:** GEM (Global Entrepreneurship Monitor) report 2022/2023 and Norstat for Dansk Erhverv, 2023.

**Note:** The definition of new entrepreneurs is that they are either in the process of starting a new business or have started a new business within the last 42 months. The number of respondents varies across countries. The OECD average is calculated based on the countries included in the figure. All countries are equally weighted.

**HOW TO  
FOSTER  
MORE  
UNICORNS  
AND  
HOW TO  
MAKE THEM  
STAY**

# ASKING THE EXPERTS

Creating a thriving entrepreneurial ecosystem is crucial if a country wants to foster and keep more unicorns. We have consulted 10 experts to identify the essential framework conditions that needs to be in place for a country to foster more unicorns, as well as the necessary conditions to keep them from moving out of the country.

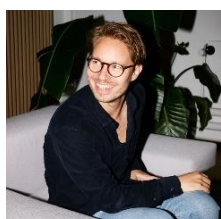
And by experts we are of course referring to individuals with firsthand experience. We've proudly handpicked 10 people who have either founded a unicorn, a rising unicorn, or a new promising tech startup.



**Trustpilot**  
**Peter Holten Mühlmann**  
*Founder & CEO*



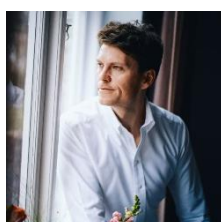
**Sitecore**  
**Lars Fløe Nielsen**  
*Co-founder*



**Contractbook**  
**Niels Martin Brøchner**  
*Founder & CEO*



**Swiipe**  
**Anders Riis**  
*Founder & CPO*



**Pleo**  
**Jeppe Rindom**  
*Co-Founder & CEO*



**Tradeshift**  
**Mikkel Hippe Bruun**  
*Co-Founder & SVP*



**raffle.ai**  
**Suzanne Lauritzen**  
*Co-Founder & CEO*



**Dixa**  
**Mads Fossellius**  
*Co-Founder & CEO*



**Penneo**  
**Jakob Neua Nørgaard**  
*Founder*

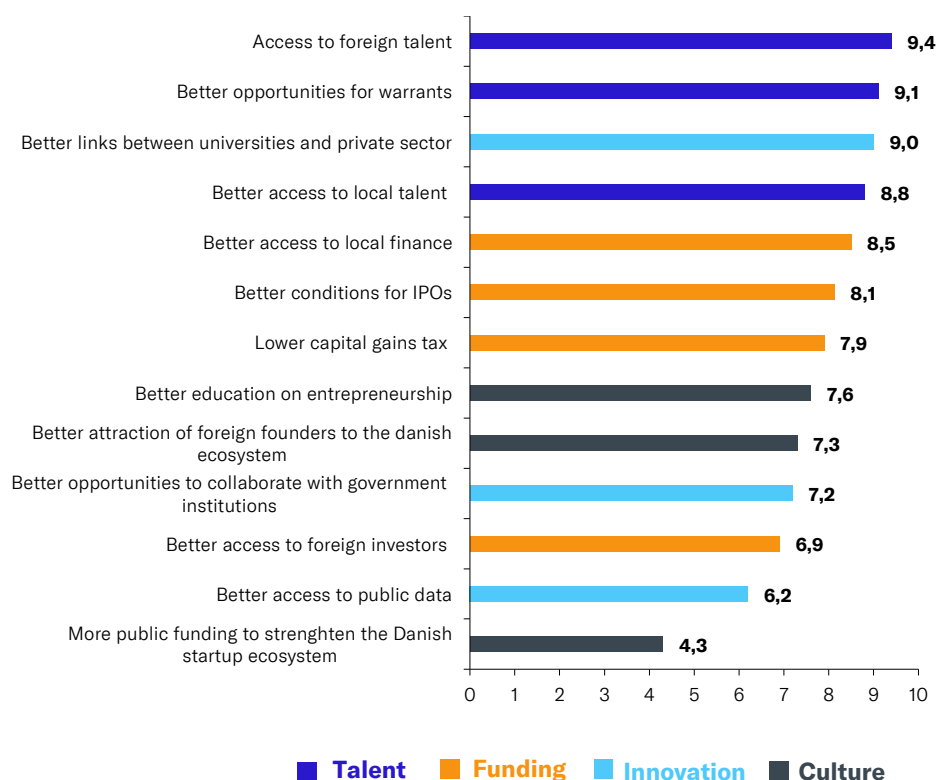


**Radiobotics**  
**Stine Mølgaard Sørensen**  
*Co-Founder*

# HOW DO WE FOSTER MORE UNICORNS?

The 10 experts have ranked the most crucial framework conditions that they believe must be in place to foster more unicorns, see figure 8. It illustrates that better access to foreign talent is the most crucial framework condition if Denmark wants to foster the creation of more unicorns with a score of 9.4 out of 10. Better opportunities for warrants rank as the second most crucial condition, with an average score of 9.1 out of 10.

Figure 8: **To create more unicorns (fostering), how important are the following (from 1 to 10)**



**Source:** Dansk Erhverv based on interviews with unicorn founders and founders of rising unicorns.

**Note:** n = 10 (n = 8 on 'Better conditions for IPO's'). Average scores on each indicator.

**STINE MØLGAARD SØRENSEN, CO-FOUNDER, RADIOBOTICS**

## **'PAY IT FORWARD CULTURE' IS KEY**

It is crucial to foster a 'pay it forward' culture to establish a high-performing startup ecosystem. Spotify in Sweden show how much a single company can contribute to the entire ecosystem by creating new startup talent and tech investors. It is also essential to make sure that universities and public institutions contribute and collaborate with the startup ecosystem. Universities and researchers need to have incentives to prioritize practical research and commercialization to support a high-performing startup ecosystem.



**NIELS MARTIN BRØCHNER, FOUNDER & CEO, CONTRACTBOOK**

## **DENMARK SHOULD LEARN FROM THE STARTUP INDUSTRY IN THE US**

We have many talented individuals in Denmark who excel in taking initiative. We should leverage this potential to a much higher degree. The US has managed to create an entire startup industry with proven models for success. When people plan their careers in Denmark, the objective often revolves around becoming a partner at a law firm, whereas in the US, more individuals aspire to join a startup and be part of the journey towards an IPO. Joining a startup in Denmark isn't as prestigious and elitist as it should be, largely due to the lower value of equity compared to the US.



**ANDERS RIIS, FOUNDER & CPO, SWIPE**

## **TALENT IS NO. 1 MOST CRUCIAL THING**

Attracting talent to tech startups is extremely challenging. It is crucial to be able to attract employees with specific skills such as IT engineering and sales, and there is a high demand for them. It can be difficult for small companies to compete on salary and in Denmark we have a rigid warrants system, which makes it challenging to incentivize with anything other than that.





**JAKOB NEUA NØRGAARD, FOUNDER, PENNEO**

## **BUREAUCRACY KILLS GROWTH**

In my youngest company, with just 21 employees, I spend up to 20% of my time navigating through state regulations. The complexity of rules and regulations has increased and takes a lot of effort for a small company to deal with. Denmark should consider easing the administrative burdens to encourage more people to start and grow a business.

To build a rapidly growing company, access to skilled IT developers is very important. Denmark needs to make sure that the people we educate from our universities matches the need from companies. It saddens me to see that English-taught programs have been cut, making it harder to attract international students, which limits the talent pool.



**MIKKEL HIPPE BRUUN, CO-FOUNDER & SVP, TRADESHIFT**

## **THE EDUCATION SYSTEM PLAYS A CRUCIAL ROLE IN FOSTERING UNICORNS**

It's absurd that there are so few female-founded unicorns worldwide. We need to fix the systemic failures to expand the talent pool, and this could even be addressed from an early age. Everyone should try being an entrepreneur at least once in their lives, maybe in primary school, to gain experience in starting, running, paying taxes, and shutting it down. Starting and running a business should be so easy that even an 8th-grade student can do it. I believe this will help demystify entrepreneurship.

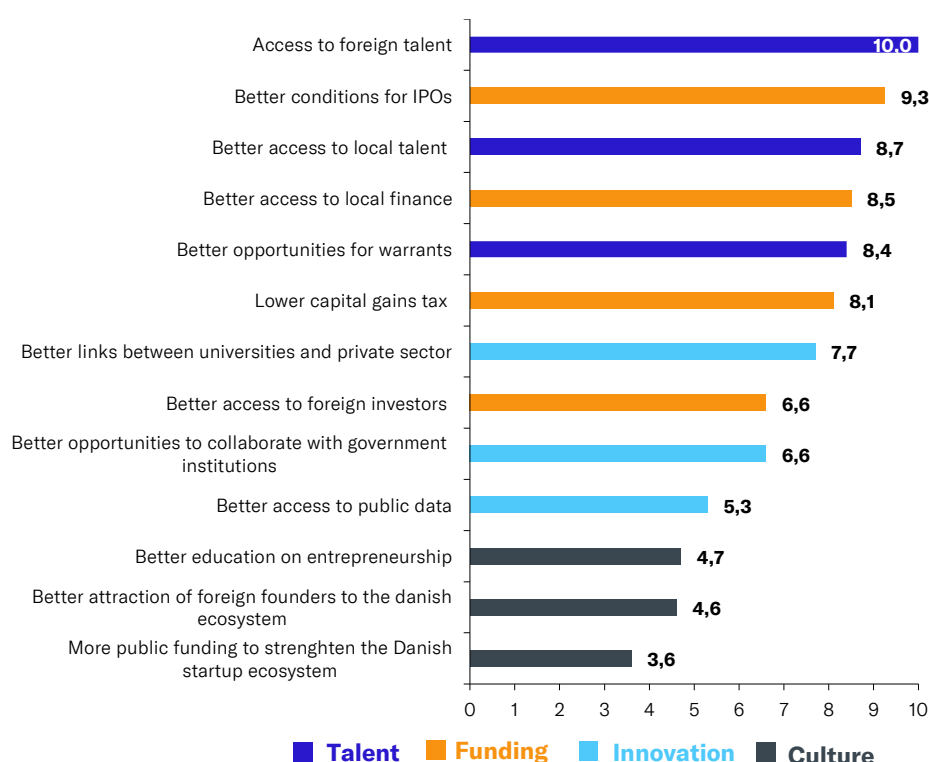
At the university level Denmark could also be better at integrating entrepreneurship and commercialization. In Silicon Valley, Stanford University plays a crucial role in the startup ecosystem. One unicorn after another is born at Stanford due to inspiring educators who flexibly jump between academia and the private sector. Stanford allows professors to be both educators and entrepreneurs simultaneously. In Denmark, we don't fully leverage all the valuable research funded by our tax contributions.



# HOW DO WE MAKE THE UNICORNS STAY?

The 10 founders have also provided insights into what they believe are the most the necessary framework conditions to make unicorns stay in Denmark, see figure 9. Better access to foreign talent is deemed the most important condition, with all respondents giving a rating of 10 out of 10, closely followed by "better conditions for IPO's" as the second most important condition with an average rating of 9.3 out of 10. Descriptions of the framework conditions are unfolded in more detail in the following chapter.

Figure 9: **To make unicorns stay (keeping), how important are the following (from 1 to 10)**



**Source:** Dansk Erhverv based on interviews with unicorn founders and founders of rising unicorns.

**Note:** n = 10 (n = 8 on 'Better conditions for IPO's'). Average scores on each indicator.

PETER HOLTEN MÜHLMANN, FOUNDER & CEO, TRUSTPILOT

## **GREAT COUNTRY TO START UP IN, TERRIBLE TO SCALE IN**

It's not just about creating more unicorns - it's about retaining the ones that are here. Denmark is a good country to start a business in, but unfortunately not a good country to build a large company.

It's quite rare for companies to scale and become really big in Denmark. This is because the entire structure for incentives doesn't work effectively. This goes for rules about warrants and the way Denmark tax founders who list their company on the stock exchange. I personally would not take a company public in Denmark under the current regulations.

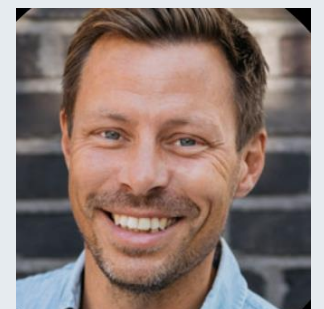
Today the rules for warrants make it difficult to make employees co-owners. It pressures companies to raise substantial amounts of capital in order to compensate employees in cash. This means, among other things, that Danish companies are compelled to expand their ownership base to foreign capital funds earlier than if the rules for warrants were different. Changing this could make a huge difference.



MADS FOSSELIUS, CO-FOUNDER & CEO, DIXA

## **LACK OF LOCAL FUNDING IN THE LATER STAGES CAN PUSH RISING UNICORNS TO LEAVE**

It can be quite challenging to conduct funding rounds in Denmark, especially in the later stages. Ambitious startups often find themselves having to seek funding abroad to secure enough funding to really scale. I often wonder how long we can stay in Denmark before American investors will want us to move our headquarters to the US. To keep unicorns in Denmark we need to make it more attractive for local investors to invest in startups. At the same time, it also needs to be attractive for foreign employees to work in Denmark. That's not the case today because of the high tax pressure. I would like to list our company at the stock exchange one day. But the regulation in Denmark is currently making this unattractive for us to do it here.



**SUZANNE LAURITZEN, CO-FOUNDER & CEO, RAFFLE.AI**

## **IPO IS NOT ATTRACTIVE IN DENMARK**

It's not attractive to list your company on the Danish stock exchange. This is due to a weird rule that if you, as a founder, own less than 10% of your company, you will be subject to unrealized capital gains tax. When your company reaches the stage of going public, the founder will undoubtedly own less than 10%. This is one of the reasons why many successful founders move out of Denmark to list their company abroad.



**JEPPE RINDOM, CO-FOUNDER & CEO, PLEO**

## **ATTRACTING THE RIGHT TALENT**

Denmark has an underdeveloped capital market, both in terms of private investments and for listed companies. The tax system makes it less attractive to invest in companies compared to countries like Sweden and the UK. It is important that a small country like Denmark ensures favorable conditions for IPO's to make unicorns stay. Attracting foreign talent is also crucial to scale a business and for this, the option to reward employees with warrants is key. The rules for warrants are unfortunately way too complex in Denmark today.



**LARS FLØE NIELSEN, CO-FOUNDER, SITECORE**

## **PENSION FUNDS HAVE A RESPONSIBILITY**

It is not all bad when unicorns leave Denmark. Many of the Danish unicorn founders eventually return to Denmark with new knowledge, the money from their exit, and a willingness to reinvest back into the startup ecosystem. I believe it's important that we can inspire individuals who have established successful companies abroad to come back and create new companies. However, new knowledge cannot stand alone. Danish pension funds should take greater responsibility by investing in promising Danish startups. Pension funds in Sweden do this with great return.



# FRAMEWORK CONDITIONS

The most important framework conditions for fostering and keeping unicorns can be divided into the categories: Funding, Talent, Innovation and Culture. These framework conditions hold a range of specific policy recommendations that will be unfolded in this chapter. By implementing these recommendations to the regulatory framework, a country like Denmark will be able to not only foster more unicorns, but also make the unicorns stay.

## Funding

### Better conditions for IPOs

To create a well-functioning stock market for startups and scaleups, Denmark needs to change the current rules. Today founders who owns less than 10 percent will be taxed on unrealized capital gains, which means that founders who hold shares at the time of listing will be taxed yearly on gains they have yet to realize. Consequently, founders must often seek loans from banks to pay the taxes, as they may not be able to liquidate their shares in the first years of listing due to a lock-up period. Founders and key investors should be allowed to choose whether they want to be taxed based on the unrealized capital gains tax scheme or based on the realized capital gains tax scheme.

### Better access to local finance

The presence of local investors and investment funds is underdeveloped in Denmark compared to many other European markets. This is partially due to low economic incentives for investor to invest in startups and scale ups. Many other European countries have implemented ambitious tax incentives to encourage investments in startups. This is not the case for Denmark. Denmark should look towards incentive structures in other European countries such as Sweden and the UK. The capital gains tax in Denmark is one of the absolute highest of all OECD countries. This will be unfolded in the next section.

### Lower capital gains tax

Denmark has one of the world's highest capital gains tax rates at 42% - even compared to the other Scandinavian countries Sweden (30%) and Norway (31.7%). This means that it is less attractive for Danish investors to invest in companies compared to other assets such as real estate. Lowering the capital gains tax level to 27% will make investment in startups more attractive for local investors in Denmark.

### Attract foreign investments

As a small country with a limited amount of later stage funds, Danish tech startups are dependent on attracting foreign investments to scale their business. Foreign investors can also help startups connect with new markets. Denmark should establish strong networks and relationships that can attract foreign investors to Denmark.

## **Talent**

### **Better access to warrant programs**

Attracting the right talent can be a big challenge for tech startups, since startups are in competition with big companies, that can offer a high salary, as well as other tech startups in countries, with better possibilities to offer their employees warrants. The rules and regulation for warrant programs in Denmark are very bureaucratic, which makes it difficult and expensive for Danish startups to setup a warrant program for attracting employees. Easing regulation will make it easier for startups to attract both foreign and local talent and increase the likelihood of fostering and keeping unicorns in Denmark.

### **Better access to local talent**

It is important for Danish startups to have the right talent available. This means that the educational programs at Danish universities should align with the actual demands of the private sector. There should be sufficient enrollment in IT programs at the universities, and the recent decisions to limit enrollment in English-language education programs should be revoked.

### **Better access to foreign talent**

Danish tech startups often need to hire specialists from outside Europe, but strict rules make it time-consuming and bureaucratic for startups to process visas for foreign talent. Scaleups are often hiring hundreds of new employees a year, and a smooth process is crucial. Denmark should lower the Pay Limit Scheme and ease bureaucracy for foreign talent.

## **Culture**

### **Better education on entrepreneurship**

It is crucial that children and young people become acquainted with entrepreneurship early in life, so that more individuals recognize that entrepreneurship can be an alternative to being employed in a company. Education in entrepreneurship can also teach students about economics, innovation, and resourcefulness in general. To ensure that students receive engaged and qualified entrepreneurship education, it is essential that primary school teachers feel well-equipped to teach entrepreneurship. Entrepreneurship education should be introduced in teacher training programs with specific goals for the curriculum.

### **More public funding to strengthen the Danish startup ecosystem**

Governments can choose to support the startup ecosystem by funding programs and initiatives, or by providing grants for early startups. This can create the scaffolding to the startup ecosystem and create links between institutions that will not otherwise occur in the free market.

### **Better attraction of foreign founders to the Danish ecosystem**

Foreign founders can bring new knowledge and talent to the Danish startup ecosystem. By attracting more international founders and startups to Denmark, Danish startups will benefit from the presence of their foreign counterparts and their contribution to the startup ecosystem.

## **Innovation**

### **Better links between universities and private sector**

Research from universities should have a higher focus in commercialization and applicability. This requires economic incentives for universities and researchers. It is also important to ease the current bureaucratic procedures for spinning off a startup from a university. Entrepreneurs affiliated with a university often require investments from private investors during the development phase. To attract investors, there is a need to provide them with certainty regarding the company's IP rights and how these can transition from the university to the company.

### **Better opportunities to collaborate with government institutions**

When a Danish startup develops a new product targeted at public institutions such as municipalities or hospitals, it is crucial whether the company can test or sell its solution to a Danish public partner. This can validate the company's product or solution and make it much more attractive in the global market. A goal should be set to ensure that the share of public procurements from SMEs grow.

### **Better access to public data**

Today, there are several barriers preventing entrepreneurs from using public data sources more actively. There is a significant potential in collecting more public data that can be used by citizens and businesses to make informed choices – for instance, towards a green transition. Additionally, Denmark needs to make better access to public data to ensure that it is as easy as possible for citizens and businesses to gain an overview of publicly available datasets.

# ABOUT THIS PAPER

## About this report

This report was completed on 4 September 2023.

## About The Danish Chamber of Commerce's reports:

The Danish Chamber of Commerce continuously produces analyses which are compiled into reports. The ambition is to provide a qualified and useful basis for decision-making in relation to significant and current challenges in all areas that are important for Danish businesses and the socio-economic development. It is permitted to quote from The Danish Chamber of Commerce's reports with clear reference to The Danish Chamber of Commerce.

## Contact

Quotes from the analysis can be attributed to Jasmina Pless, Head of Entrepreneurship at The Danish Chamber of Commerce.

Inquiries regarding The Danish Chamber of Commerce's entrepreneurship policy can be directed to Jasmina Pless, Head of Entrepreneurship Policy, at [jpl@danskerhverv.dk](mailto:jpl@danskerhverv.dk) or by phone at +45 2924 2234.

## Authors

Jasmina Pless, Head of Entrepreneurship Policy, [jpl@danskerhverv.dk](mailto:jpl@danskerhverv.dk)

Simone Skovshoved Christophersen, Junior Analyst, [ssch@danskerhverv.dk](mailto:ssch@danskerhverv.dk)

Christine Sinkjær-Rasmussen, Economist, [chsi@danskerhverv.dk](mailto:chsi@danskerhverv.dk)

Johannes Kræn Blume Sivertsen, Junior Analyst, [jkbs@danskerhverv.dk](mailto:jkbs@danskerhverv.dk)



**DANISH CHAMBER OF COMMERCE**

Slotsholmsgade 1  
1216 Copenhagen  
Denmark

[www.danskerhverv.dk](http://www.danskerhverv.dk)  
[info@danskerhverv.dk](mailto:info@danskerhverv.dk)  
T. + 45 3374 6000

**We act on behalf of our members.**

At The Danish Chamber of Commerce, we work every day on behalf of 18,000 member companies and more than 100 industry associations. We are a business organization and employer association for one of the world's most effective business communities.

We offer advice on employee and company relations, as well as political impact. Our efforts are based on the active participation of our members in networks and committees.

At The Danish Chamber of Commerce, we work every day to make Denmark the best country in the world to do business in. This benefits jobs, prosperity, and Denmark's progress.

We work for a Denmark with cohesion and effectiveness.

**DANSK  
ERHVERV**

Danish Chamber of Commerce