



IMPACT OF ENTREPRENEURIAL SUPPORT INSTITUTIONS ON THE ENTREPRENEURSHIP AND THE BUSINESS ENVIRONMENT IN ZAGREB - A CASE STUDY OF ZICER

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Abstract:

Entrepreneurial support institutions offer a wide range of services to their tenants, which in the long run affects their development, the development of the local environment in which they operate and the development of the overall Croatian economy. The aim of this paper is to examine the impact of entrepreneurial support institutions on the entrepreneurship and the business environment in Zagreb, the capital of Croatia. Throughout the paper, the method of description, comparison, deduction and synthetic were used. The problem investigated in the paper refers to the question of the success of ESI in meeting the needs of creating an entrepreneurial environment in the area in which they operate. Through the example of the Zagreb Innovation Center (ZICER), empirical data were collected by a survey questionnaire to examine the satisfaction and the acceptance of the services by their users. Conducting primary research sources, the authors proved that users are satisfied with the received services, showed the importance and benefit that users, local and national economy have from entrepreneurial support institutions. The results of the research can be the basis for further research and strengthening the role of entrepreneurial support institutions.

Keywords: *accelerators, centers of excellence, entrepreneurial support institutions, incubators, ZICER*

1. Introduction

Small and medium-sized enterprises are the drivers of economic growth. The regional development is a dynamic phenomenon that permanently affects changes in business activities that can be caused by innovation, but also with the creation and closure of firms. The development of the SME sector plays a key role in the development of the territory in which they operate. An important role in changing the conditions for entrepreneurship refers to the regional system (education, culture, social support, etc.) (Chaudhary and Kalia, 2018: 59). Due to the relationship between entrepreneurial activity and regional development it is necessary to develop an appropriate entrepreneurial environment (Korent

et al., 2015: 940). The beginners but also those who are already engaged in entrepreneurship need help and information to develop or continue to develop. As a response to helping entrepreneurs, entrepreneurial support institutions (ESI) have been created. Entrepreneurial support institutions offer a wide range of services to their tenants, which in the long run affects their development, the development of the local environment in which they operate and the development of the overall Croatian economy.

The paper analyses the impact of entrepreneurial support institutions on the development of region and entrepreneurship in the City of Zagreb, its form, tasks and its founders. The objective of the paper is to analyse the impact of public funding of ESI on the development of entrepreneurship in the City of Zagreb through the example of ZICER, as the longest incubator in the City of Zagreb, by exploring the services and its impact on the strengthening and development of entrepreneurial activity in the City of Zagreb. Consequently, a hypothesis have been set:

H1: ZICER services have fully met the needs and expectations of their users.

H2: Public funding of ESIs have a positive effect on increasing entrepreneurial activity and creating an entrepreneurial environment in the City of Zagreb.

The paper is divided into two parts, theoretical and research part.

The paper consists of five sections. First is Introduction, which defines the problem, scope of paper, used methodology as well as the hypothesis of the research. The second part is Entrepreneurial support institutions, relating to the theoretical part and development of ESI in Croatia. The second part of the paper referred to the analysis of ZICER. The choice of ZICER is based on its historical development and the importance of establishment by the City of Zagreb, which recognized the importance of investment in the initial phases of entrepreneurial development. The review of the analysis is divided into two parts. The first part Analysis of ZICER - entrepreneurial support institution of the City of Zagreb referred to the review of secondary data sources. The second part, ZICER - success analysis - questionnaire, sample and research methods, referred to results following with the Discussion on the assessment of the satisfaction, the acceptance of the services and the importance of its existence at the City of Zagreb, by their users. The last, fifth part, of the paper the Conclusion is presented.

2. Theoretical Background Article structure

2.1. ESI forms and its founders

ESI are institutions that implement programs aimed at the development of entrepreneurship. They are a part of the overall entrepreneurial infrastructure (Entrepreneurship Infrastructure Improvement Act, 2021). Through ESI entrepreneur realizes his business faster and easier and is motivated to invest more and employ more people. On the other hand, the state achieves lower unemployment and better economic growth through incentives (Nikolić and Zorić, 2014: 100).

The importance of ESI is visible in the enactment of the Entrepreneurship Infrastructure Improvement Act, Article 4, which defines them as entities aimed at creating a quality, the user-oriented entrepreneurial environment in the Republic of Croatia. Table 1 summarizes the main forms of entrepreneurial support institutions defined by the Entrepreneurship Infrastructure Improvement Act.

Table 1: ESI form and their definition by the Entrepreneurship Infrastructure Improvement Act

ESI forms	
Development agencies	Registered legal entities in charge of operational implementation of measures for economic development and entrepreneurship.
Entrepreneurship centers	Registered legal entities in charge of operational implementation of measures for the development and promotion of entrepreneurship in the local and / or wider area (county, region).
Business incubators	Registered legal entities that provide professional technical and educational assistance for starting entrepreneurial ventures. They help companies in their faster and sustainable development.
Business accelerators	Registered legal entities, ie specialized business entities in charge of providing support services to entrepreneurs in the post-incubation phase, ie in the phase of development and expansion of business in the domestic and foreign markets.
BUSINESS PARKS	Registered legal entities have physical spaces, land and resources for the accommodation of small, medium and large entrepreneurs on a commercial basis, with a special focus on attracting domestic and foreign investments
Science and technology park	Registered legal entities established for the purpose of commercialization of scientific results, encouragement of cooperation between scientists and businessmen.
Centers of Competence	Specialized business entities that conduct research projects of development or production character and develop competencies in certain areas. Centers of competence are institution with which other business entities can contract research and development services in order to strengthen certain industries. They are independent legal entities that form part of the scientific research infrastructure of the Republic of Croatia.

Source: Authors according to the Entrepreneurship Infrastructure Improvement Act

As additional explanations of the law, the authors discussed the different forms of ESI as follows: Tupek and Ćorić (2018: 130) explain the concept of the virtual incubator as a web platform through which business incubators provide business, technical and educational services to its residents. For Šimunković (2016: 67) student business incubators have an increasingly important role in economic growth as a meeting places for education, research and economy. Hunjet, Ivetić and Kozina (2018: 135) emphasize the importance of technology parks in the fact that the International Association of Science Parks and Innovation Areas - IASP has been operating since 1984. Scientific technology parks have a positive impact on the local, national and regional economy (Brčić and Brodar, 2008: 374). Research by Diez-Vial and Fernández-Olmos (2014: 80) confirmed that companies that have concluded cooperation agreements with universities and other research institutions are better able to use the acquired knowledge. Such cooperation allows them to improve their innovative capacity and they are more capable of understand basic research, experience and advice provided by these institutions.

Centers of Competence can be established by local self-government units, companies and their associations, educational, research or financial institutions and investment funds (Ranilović, 2017: 8).

Bearing in mind the above-mentioned division, the Republic of Croatia has published a United Register of Entrepreneurial Infrastructure (UREI)¹ maintained by the Ministry of Economy and Sustainable Development. UREI is an electronic database of business infrastructure entities consisting of: The Register of Business Zones and the Register of Business Support Institutions (BSI). UREI is defined by the Act on the Improvement of Entrepreneurial Infrastructure (OG 93/13, OG 114/13, OG 41/14, OG 57/18) and the Instruction on the Use of the United Register of Entrepreneurial Infrastructure (OG 86/18).

2.2. Strategic framework for the development of ESI on national and local level

Local self-government units and counties formulate incentive programs for SMEs that contain incentive measures. The state and the state management system play a major role in stimulating innovative ideas. Especially when it comes to entrepreneurship (Gregorić et al., 2018: 25).

¹ Ministry of Economy and Sustainable Development; United Register of Entrepreneurial Infrastructure (Jedinstveni registar poduzetničke infrastrukture) <http://reg.mingo.hr/pi/public/>

The main document when it comes to strategic development is the Strategy for the Development of Entrepreneurship of the Republic of Croatia 2013-2020 (2013) as a direct response to provide support to entrepreneurs. It has five goals: 1) improving economic performance; 2) improved access to finance; 3) promotion of entrepreneurship; 4) improving entrepreneurial skills and 5) improved business environment.

The successful adaptation of incubators and innovation programs leads to economic growth based on the development of a number of companies with high survival rates and the creation of high value-added products. At the same time, they have a positive impact on the creation of a stimulating entrepreneurial environment and the commercialization of technology transfer (Al-Mubarak and Busler, 2017: 3).

However, there are also authors who disagree with the above statements and point out the negative aspects of ESI. Their uneven distribution leads to negative consequences for the development of entrepreneurship, given that the main concentration is in the counties with the largest cities, so access to them is limited. ESI provides incomplete business start-up services that do not allow entrepreneurs to become independent and that their education takes too long (Koščević, 2020: 30).

At the local level, there is the Development Strategy of the City of Zagreb for the period until 2020 as a basic strategic document of regional development policy for the City of Zagreb. The document defines the goals and priorities for development of the City of Zagreb. The chapter covering the Economy clearly emphasizes the entrepreneurial infrastructure and the development need for strengthening and development of entrepreneurial support infrastructure (Zagreb.hr, 2017).

Part of the measures to encourage SMEs and ESIs are implemented in cooperation with ministries, primarily with the Ministry of Economy and Sustainable Development. Cooperation with commercial banks and Croatian Bank for Reconstruction and Development (HBOR) and sectoral associations is also mentioned. These are *de minimis grants*² whose amounts vary depending on the capacities of local governments and entrepreneurs.

One of the types of support is the Entrepreneurship Awards. For example, at the Zagreb Connect conference in 2018, organized by ZICER, five prizes were awarded for HRK 160,000 for the best ideas of a start-up entrepreneur and for starting your own company (Ecorys Hrvatska d.o.o, Ecorys South East Europe Ltd, 2019).

2.3. Role of ESI

The main role of entrepreneurship centres is to offer entrepreneurial courses and programs that are paid or free for students at the university or for the public (Finkle et al., 2013: 69). Building a stimulating institutional environment in which science and technology parks operate is very important for the state (Brčić and Brodar, 2008: 374).

The access to professional services is one of the most important functions of support institutions. They “facilitate access to funding, enable the transfer of knowledge and skills needed to successfully start a business, provide information necessary to make all important decisions starting a business or planning the growth and development of a business.” The mutual networking affects not only the quality of services offered by institutions, but also the quality of programs and projects created at the state level (Delić et al., 2012: 37). According to the report of the European Court of Auditors (2014: 30): “Incubators were unable to offer comprehensive, individually tailored assistance to their clients. The range of services offered was limited. Most audited incubators did not offer support to prospective entrepreneurs at the pre-incubation stage, or to non-resident clients. The incubation

² De minimis aid taken from state aid control because it is considered not to affect competition and trade in the EU internal market. EU Member States are not obliged to notify the European Commission of this aid. The ceiling is 200,000 euros per entrepreneur over a period of three years.

programmes were of a basic nature and did not take into account the specific individual needs or business development objectives of their clients.“

The most researched form of ESI is business incubator - a powerful instrument that provides the business sector with empowerment and competitive advantage (Aerts et al., 2007: 264). Their activities include business (working) premises on terms that are more favorable for start-up entrepreneurs up to the third year of operation. Through institutionalized networks, they facilitate access to different types of resources and service providers (Bruneel et al., 2011: 117). When analysing the best accepted services, an analysis done by Robinson and Stubberud (2014: 36) showed that physical services had the highest proportion of incubator tenants who had not used them, while services based on business expertise (financial consulting and business development) were used more frequently than the other services and had the lowest proportions of people who had not used them in the period of last three months. One of the criticisms of ESI is their poor visibility, because entrepreneurs are not even aware of their existence. Another criticism relates to the fact that not all services are easily accessible due to the excessive criteria that need to be met for their participation. Programs do not meet the needs of micro and small enterprises while small enterprises in urban environments benefit the most (Molapo et al., 2008: 38).

However, in addition to all the activities offered by ESI, the author Bošnjak (2011: 55) states that the key to incubator success is the provision of free or privileged services through business consulting. The incubator is in an entrepreneurial environment, connected to the university sector. The importance of the human factor is a generator of success. On the other hand, an analysis by Queiroz Silva and Da Cunha (2018: 302) showed that technology incubators are unaware of what is happening to users because they do not provide evidence to assess the evolution of incubated companies or feedback on whether they meet their purpose. It is considered that evaluation of business incubators must be carried out periodically in order to be able to improve their business and results. Regardless of the incubator evaluation model used, it must be adapted to the type of incubator, the country, the region and the institution that owns it.

2. 4. Source of ESI financing

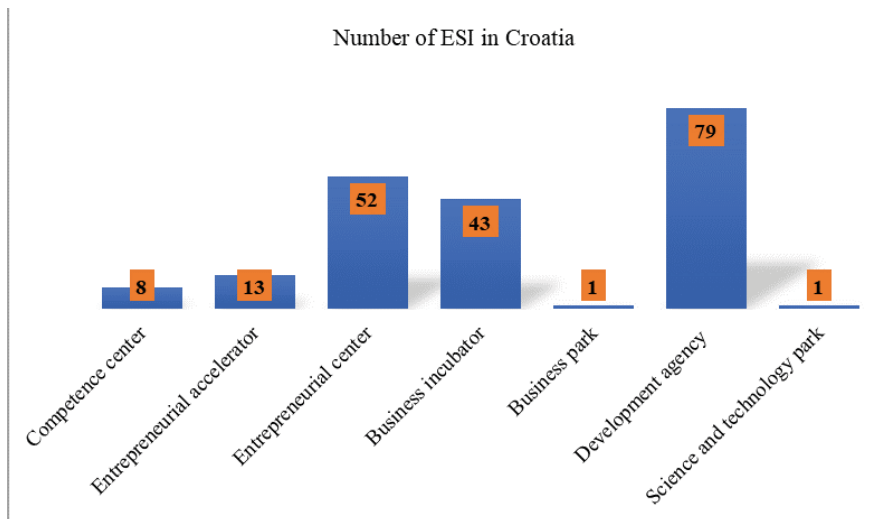
Analysis of the available literature shows conflicting views of entrepreneurial support institutions. It is a common opinion that ESI are regionally based institutions. Institutions outside the mainstream of central and local government publicly fund them (Halkier, 2006: 4). The purpose of development agencies is: “development of the region as well as coordination between plans and strategies of regional development policy adopted at the state level and their implementation at lower levels” (Pišmiš, 2019: 4). However, with regard to the further financing of the ESI, the question has been raised whether public funding should continue or whether it should find a way to ensure its own sustainability. Mijačić (2011: 20) state that business support institutions are looking for solutions for the further operation of BSI in donations from founders and donor funds, which is not sustainable in the long run. The visibility of the grant problems came to the force at a time of economic crisis when the revenues of the local self-government, which could no longer finance the work of the incubator, were reduced. The accelerators: „disaggregate the financial resources and knowledge resources previously offered by incubators and angel investors and provide more advice and less money than either one. The limited duration of accelerator programs is the feature that most clearly defines them“(Cohen, 2018: 25).

2.5. Forms and geographical distribution of ESI

Entrepreneurship carries with it a certain risk of initial investment, developed infrastructure and insufficient knowledge and skills needed to succeed in entrepreneurship. In response to bridging the mentioned obstacles, public authorities established ESI. The purpose of development and

improvement of entrepreneurial infrastructure is to stimulate economic growth through planning and timely construction of entrepreneurial infrastructure. Their function is to balance regional development of the Republic of Croatia, faster growth of entrepreneurship and increase investment and employment within the area where the entrepreneurial infrastructure is planned. The largest number of ESI form is Development agencies, the second is Entrepreneurial center and the third is Business incubator.

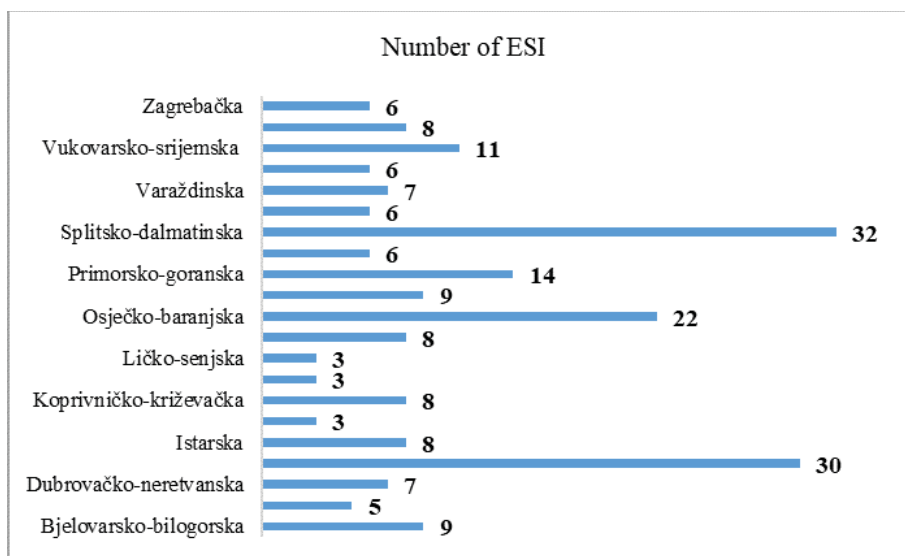
Chart 1: Number of ESI in Croatia by different form



Source: Authors according the United Register of Entrepreneurial Infrastructure (accessed 20.7. 2022)

The main concentration of entrepreneurial support institutions is in the counties that gravitate to the largest centers of the Republic of Croatia: Zagreb, Split, Osijek and Rijeka. The largest number of ESIs are established in the counties: Split-Dalmatia, Grad, Zagreb, and the County of Osijek-Baranja, while in the other counties have around 15 or less ESI. The founders of ESI are local and regional self-government units (counties, cities and municipalities) but also the universities and private companies. (United Register of Entrepreneurial Infrastructure, 2022.)

Chart 2: Number of ESI by county



Source: Authors according the United Register of Entrepreneurial Infrastructure (accessed 20.7. 2022)

3. Materials and Methodology

Zagreb Innovation Center (ZICER) is an entrepreneurial support institution owned by the City of Zagreb. It implements support and development activities as well as the improvement of the entrepreneurial environment and society as a whole. The mission of the Zagreb Innovation Center is to implement activities to support the development and improvement of the business environment and society as a whole. ZICER wants to contribute to the realization of the goals of the Development Strategy of the City of Zagreb - ZagrebPlan and the vision of the City of Zagreb as an urban incubator (ZICER, 2021).

ZICER is one of the main stakeholders in the implementation of the Crafts, Small and Medium Entrepreneurship Development Program in the City of Zagreb. It is located at the Zagreb Fair on an area of 7363 m². ZICER has more than 100 modular office spaces, coworking spaces and smart infrastructure - 6 technology centers. ZICER funding is provided through the European Regional Development Fund, Operational Program Competitiveness and Cohesion. Until June 2018, ZICER operated under the name Zagreb Development Agency and through three related departments: Technology Park Zagreb, Entrepreneurship Center - Blue Office and the Center for Development Projects. Since 2018, ZICER has included the Blue Office, first entrepreneurial center of the City of Zagreb, in its scope of work. The Office provides education, counseling, support programs and promotion of entrepreneurial culture, which are free for end users. Due to its establishment in the capital, longevity as well as constant investment in development, further analysis will be focused on ZICER and its significance for strengthening regional development. The first part of the analysis refers to the review of secondary data sources of its services while the second part the acceptance of the services and the refers to survey research on the satisfaction of its services according to its users.

Throughout the paper, the method of description was used in describing the term entrepreneurial support institutions and its different forms as well as in to the analysis of empirical research because the aim of this paper is to provide a detailed description of the current state, characteristics and importance of ZICER for its users. The second method used was the comparative method when comparing data related to the main concentration of entrepreneurial support institutions in Croatian counties. The deductive method was used to test the theory of the importance of ESI that leads to competitive advantage of entrepreneurship and the business environment in Zagreb through the example of ZICER. Synthetic analysis was used in order to present the research problem in the simplest possible way. In the research part of the study, the authors conducted a survey in November 2021 by sending an online questionnaire to ZICER users. In March 2022, the second part of a survey (interviewed online in the form of a survey) was conducted to get deeper answers about the benefits of acquired services, the existence of ZICER and its impact on the development of entrepreneurial environment and the City of Zagreb. The purpose of the online survey was to examine, from the primary data sources, insights on satisfaction and the acceptance of the ZICER's services by their users. In the analyses, statistical and descriptive methods are applied.

4. Results

Based on the analysis of secondary sources, the main services of ZICER are listed below:

1. Pre-incubation - a process in which Development Teams receive support, with the aim of realizing their business idea and turning it into a sustainable entrepreneurial venture. It is the period required for the development of an entrepreneurial idea, preparation and establishment of a business entity. The program lasts a maximum of 3 months.

2. Incubation - a period of growth and development of entrepreneurs. It includes activities that support entrepreneurs in their beginnings and during business development. The entrepreneurs have infrastructure and professional consulting support. Incubation aims to bring the entrepreneur to the stage of stable business and opportunities for growth and development outside of ZICER. The maximum duration of Incubation is 4 years.
3. Post-incubation - the process of business cooperation with entrepreneurs at a later stage of growth and development. It enables the entrepreneur to develop new products, services and projects. It helps in internationalisation the business and in finding an additional source of financing for new products. It lasts a maximum of 5 years.
4. Pre-acceleration/acceleration - participants in the program, after their completion, exercise the right of priority to use the Incubation program in relation to other candidates.
5. Coworking – the duration of the stay can be taken on a daily, weekly or monthly basis. The service includes an office desk and chair in a shared office, the costs of electricity, heating and cooling, cleaning and maintenance, utilities and other fees, high-speed internet connection and Wi-Fi.

In addition to the above mentioned, ZICER also provides services for the use of 7 development centers established to encourage the development of innovative entrepreneurship. The goal of the centers is to create a favorable business environment as a precondition for a significant increase in competitiveness, innovation potential and efficiency of the business sector in the City of Zagreb. ZICER also participated in the preparation and application of various projects for tenders financed from EU funds as a lead partner or project partner, which is additional evidence of the importance that contributes to the development of ESI.

Further analysis of ZICER included research based on primary data sources. The ZICER analyses referred to a conducted survey in November 2021 and in March 2022 to examine the insights on satisfaction and the acceptance of the ZICER's services by their users. For the purposes of the analysis, the questionnaire was sent to companies that were or are users of ZICER. The companies are divided into micro, small, medium and large companies. The main goal of the research was to get reflections on the use of services and information by ZICER when starting a business and its improvement.

The first questionnaire contained 11 questions, some of which related to general questions regarding the company size and area of activity. (Table 2.) The second set of questions was related to information and satisfaction of services received by ZICER. The third set referred to information about future cooperation or support to ZICER in its further work. (Table 3.) Papers must be formatted to allow printing on paper size A4 (210 x 297 mm). Times New Roman, size 12 (unless otherwise stated herein) should be used, and line spacing should be 1.5.

The margins (left, right, top and bottom) should be 20mm wide. The text should be aligned with Both the right and left margins (justified). The paper should have between 4500 and 6500 words (including references). Do not include page numbers.

Table 2: Basic information about the respondents

Basic information about the respondents	Number of answers
Company size	
• Micro	17
• Small	4
• Medium	/
• Large	/
Indicate the field of activity according to the National Classification of Activities (NKD 2007)	
• J62	10
• J58	2
• C14	1
• M74	1
• M70	1
• M71	1
• M72	1
• N79	1
State the year of joining ZICER:	
• 2015	2
• 2016	1
• 2017	3
• 2018	2
• 2019	4
• 2020	3
• 2021	1

Source: Authors

Table 3. Information regarding the satisfaction of provided ZICER services

Select the ZICER services you used	
• Pre-incubation	2
• Incubation	15
• Postincubation	1
• Coworking	2
How did you find out about ZICER?	
• By other entrepreneurs	12
• Media	4
• Social media	4
• Other	3 (Google search, Startup Factory)
Please indicate how satisfied you are with the ZICER service/services (From 1-5) (1 - I am not satisfied; 5- I am extremely satisfied)	
• 0	0
• 1	0
• 2	0
• 3	3
• 4	7
• 5	13
Please indicate how long you are doing business	
• 1 year	3
• 2 yaers	1
• 3 yoars	8
• 4 years	4
• 5 and more	5
Did you withdraw funds from EU funds, or did you apply for projects and sign the Grant Agreement?	
• Yes	13
• No	7
• Planning	1
Do you cooperate with ZICER through any other activities apart from the above	
• Yes	6
• No	15
Have you recommended ZICER to anyone?	
• Yes	20
• N0	1

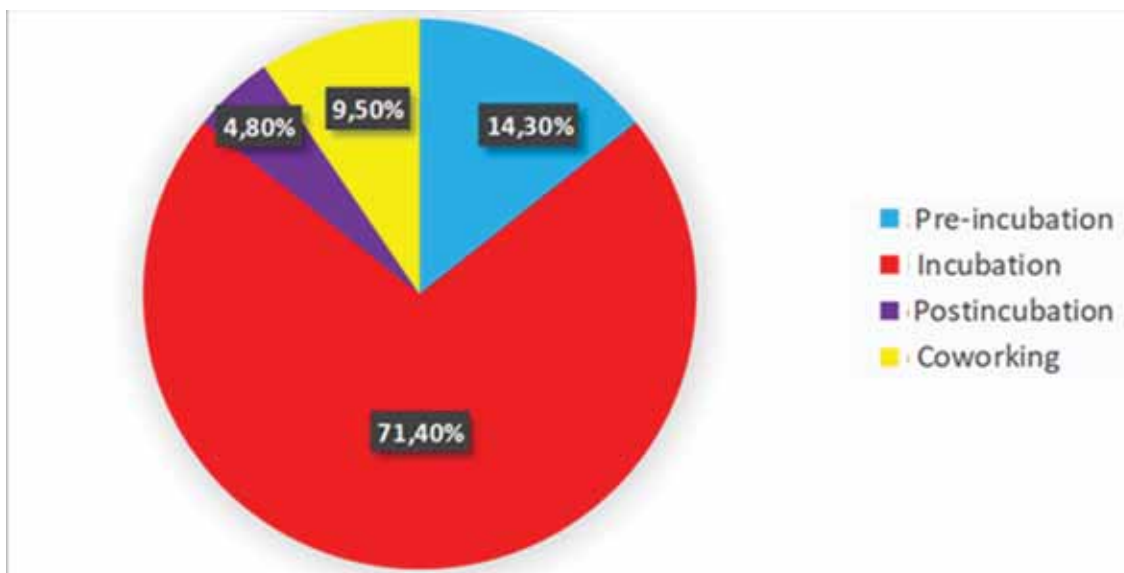
Source: Authors

From the companies that responded to the questionnaire, 80% are micro and 20% are small companies. Most companies, 50% of them operate in the field of computer programming, followed by the release of other software that deals with 10% of surveyed companies. One company (each) is engaged in following activities: clothing production, specialized design activities, business and management consulting, engineering and technical consulting, research and experimental development in natural, technical and technological sciences as well as travel agencies. When it comes to the year of entry into ZICER, it is evident that ZICER users date back to 2015.

5. Discussion

The analyses of answers at the first question referred to ZICER services, 71.4% companies, stated that they used the incubation service. A 14.3% of enterprises used pre-incubation services, 9.5% Coworking services while 4.8% enterprises used postincubation services.

Chart 3: Please select the ZICER services you have used



Source: Authors

What is certainly worth pointing out is the fact that 60% of companies have heard of ZICER by other entrepreneurs while 20% were informed through the media and 20% through social media. However, some of them also heard about ZICER and found information through the Google search or participated in the 2018 Startup Factory. A further question was that companies, ie their representatives, as users of ZICER services, assess how satisfied they are with the ZICER services from number 1 to 5. The number 1 meant that the user was not satisfied while number 5 indicated that the user was extremely satisfied with the provided service. The users, 67.9% of them are extremely satisfied, 33.3% are very satisfied while 4.8% are satisfied with the received services of ZICER.

As a positive answer to the question related to the withdrawal from EU funds, 61.9% of companies said they withdrew funds, 4.8% said they planned and 33.3% said they did not withdraw funds.

The last set of questions referred to the existence of additional cooperation with ZICER. The additional cooperation did not take place for 71.4% of companies, while 28.6% said they had. When explaining what kind of cooperation it is, the most common answer was related to education and counseling, organization of events.

On the overall impression of ZICER, covered by the question of whether they recommended ZICER to other stakeholders in the business environment, 95.2% of companies said yes, while 4.8% did not recommend ZICER to anyone. The second part of the analysis was conducted in March 2022 in order to gain more detailed answers about the satisfaction of the services provided, approach towards the users, the impact on the creation of entrepreneurial ecosystem and impact on the development of the City of Zagreb.

As the most important services of ZICER that the respondents used were: incubation, start-up factory, promotion, space, internet, education, legal support, selfless help of employees.

From the statements of the users, it can be concluded that they are satisfied with the services received and that these services are visible to entrepreneurs. One of them stated: "ZICER's services have fully met our needs and as long as we can be in ZICER, we will be happy to be their member, and even after that, if they offer to help us as external partners, we will be very happy to respond and help as much as we can."

The visibility and ZICER care for entrepreneurs in the City of Zagreb is also visible in the statement: "The services also more than met our needs. In addition to the help we would receive each time we asked for it, suggestions arrived before we opened the company that were extremely helpful to us." The users also commented the given infrastructure: "We have a secured space and a stimulating work environment, as well as faster and more responsive answers to our specific inquiries" as well as the educations: "We also have the opportunity to participate in workshops that are often useful and interesting."

The strongest support for the work of ZICER is visible through the praise of the interviewed user. One of the user said: "Yes, this is exactly what we needed at an early stage when we were a fragile entrepreneurial idea, then through a micro-enterprise, to a small enterprise when our specific needs and significant business resilience capacity are likely to allow us to exit the incubator environment."

When asked about possible improvements to ZICER's work, users consider: "Connecting with industry through concrete pilot projects and collaborations, expanding and putting more focus on the needs of hardware start-ups." Additional suggestions are relate to improving the advisory services provided: "additional professional services in terms of systematic monitoring of business and development of the company and ensuring continuous professional consultations would be the most important element that would enable us to develop better". There is also suggestion of: "the possibility of structured support to companies in later stages of development. Something like a scale-up factory" as well as: "support in the form of match-making with B2B clients, new customers, new markets, investors of this phase, strategic partners."

When asked if they think that ZICER influenced the development of the economy of the City of Zagreb, one of the answer was: „I think that ZICER is certainly part of the positive energy that the City gives to the development of the economy of the City of Zagreb.“ The another user stressed the importance of start-ups: "I think that ZICER, as the main source of promising start-ups in the Republic of Croatia, has had a great impact on the economy of the city of Zagreb." The further importance of ZICER for one of the user was the impact on the development of innovative companies: "Yes, because it supports young innovative companies." One of the users pointed out: "Without ZICER and entrepreneurs, Croatia has a difficult future."

The established hypothesis H1: ZICER services have fully met the needs and expectations of their users was tested by performing empirical research. Based on answer of ZICER users, the same was confirmed.

6. Conclusion

The paper confirmed that a common characteristic of all entrepreneurial support institutions is informing, advising, helping young and start-ups, educating about entrepreneurship and running a business, attracting investment, as well as encouraging employment. The importance of ESI is visible through the financial support of the Operational Program and strategic guidelines of the regions in which it operates.

Based on the observed results it can be concluded that the users of ZICER are satisfied with the received services. They see the importance of ESI in the development of the business environment and the development of the City of Zagreb. Through conducting primary research sources, the authors proved that users are satisfied with the services received, with additional suggestions for improvement, which confirmed Hypothesis 1.

Furthermore, ZICER participated and contributed to all major working bodies of the City of Zagreb level, but also at the national level through expert groups, commissions, national events and activities aimed at strengthening the entrepreneurial environment. The stated is proof of the desire to create the strengthening of entrepreneurship and the development of the region in which it operates. Through additional in-depth research conducted in March 2022, on the importance of ESI in the City of Zagreb from primary sources, proved that users consider ESI extremely important for the development of entrepreneurship and the region in which they are located. The research also confirmed Hypothesis 2.

With respect to the analysis of the satisfaction of ZICER users that shown extremely high positive results, the analyses of other authors needs to be taken into account how the further research of ESI must put attention its relation to the country, form and region in which it operates. These elements should not be ignored. ESI funding is certainly an important item in its further development and impact on regional development. In addition, taking into account the some authors' criticisms of the uneven distribution of EIS, it is necessary to make analyses of their establishment in certain environments so that all interested stakeholders in the business ecosystem have access to support in entrepreneurial activities.

The results of the research can be the basis for further research and strengthening the role of entrepreneurial support institutions.

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