

Current trends in capital raising of Czech technological start-ups

Roman Mastalir^{a,*}

^a Brno University of Technology, Faculty of Business and Management, Department of Management, Kolejní 2906/4, 612 00 Brno, Czech Republic

Abstract

Purpose of the article Raising capital is one of the key and at the same time the most complex milestones of technology companies. In today's highly competitive environment, the rapid acquisition of users, whose monetization is not as important at the beginning, plays a major role. In this respect, obtaining additional capital is not only the key to survival of the start-up but also for its further development. For this reason, the author decided to analyze the current situation on the capital market of the Czech Republic from the perspective of a technological start-up.

Methodology/methods The current state of the capital market will be examined in a form of qualitative research and in-depth interviews with selected start-ups, angel investors, and VC funds. The author also takes into account the activities of banking institutions and state involvement in a form of subsidies for technology start-ups.

Scientific aim To acquaint readers with the current situation on the capital market. The aim of this research is to analyze individual forms of investments of technological start-ups, their categorization according to the phase of start-up and the volume of investment.

b Based on the obtained data, a summary of the possibilities of raising capital by a technological start-up is created. The article divides the obtained data according to the type of investment and the phase of the technological start-up. At first glance, it seems that the Czech environment is more conservative. It primarily invests in technology start-ups at a later stage, when, in addition to the product itself, they have their first customers. During research, the author got the impression that the volume of investments in the Czech environment is significantly lower compared to Western countries and intends to support this hypothesis in further research.

Conclusions The method of raising capital in the Czech Republic has its own characteristics and at first glance it seems more conservative than in the CME markets in Western Europe or LME markets, such as the United States or the United Kingdom. The author thus proposes, as another possible area of research, a comparison of the Czech environment with Western Europe and the USA.

Keywords: Technology Startup, Startup, Investment, Scaleup, Angel investor, Venture Capital Fund, Subsidies, Bank loan

JEL Classification: G23, M13

* Corresponding author.

E-mail address: roman.mastalir@vutbr.cz