

tepav

Türkiye Ekonomi Politikaları Araştırma Vakfı

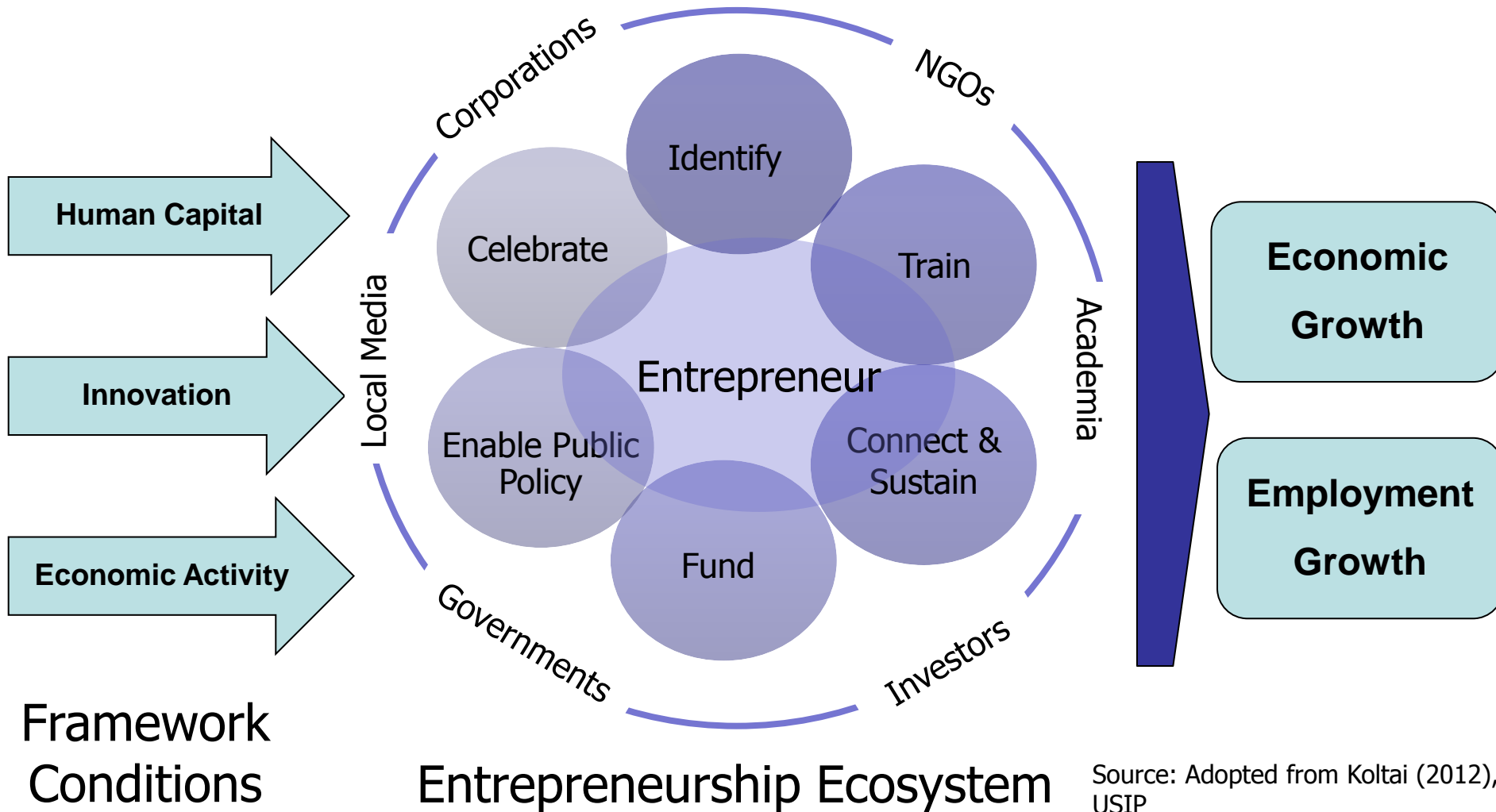
Izmir Entrepreneurship Ecosystem Strategy: Methodology & Preliminary Results

Meeting on Izmir Regional Development
Plan 2013-18

21 September 2012

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Our approach to entrepreneurship development



Source: Adopted from Koltai (2012), USIP

Data Sources



- Interviews with local actors
- Analysis on local entrepreneur profiles
- Data of framework conditions
- Interviews with national actors
- Global model practices

Framework Conditions Human Capital

Population of the city		Ratio of population in the center to the population of the whole province		Ratio of university graduates to adult population of the city		Ratio of doctorate graduates to adult population of the city	
İstanbul	13,624,240	İstanbul	99%	İstanbul	0.90%	İstanbul	0.91%
Ankara	4,890,893	Ankara	97%	Ankara	0.87%	Ankara	0.80%
İzmir	3,965,232	İzmir	91%	Denizli	0.70%	İzmir	0.44%
Bursa	2,652,126	Bursa	89%	Kayseri	0.61%	Kayseri	0.30%
Adana	2,108,805	Gaziantep	89%	İzmir	0.45%	Adana	0.26%
Antalya	2,043,482	Adana	88%	Adana	0.35%	Denizli	0.25%
Gaziantep	1,753,596	Kayseri	87%	Bursa	0.31%	Antalya	0.24%
Kayseri	1,255,349	Antalya	71%	Gaziantep	0.15%	Bursa	0.22%
Denizli	942,278	Denizli	70%	Antalya	0.14%	Gaziantep	0.20%
Tekirdağ	829,873	Tekirdağ	69%	Tekirdağ	0.08%	Tekirdağ	0.16%
						Portland	1.3%
						Seattle	1.4%

Framework Conditions Innovation

Ranking	Number of Patent Applications per 10,000 persons		Number of Registered Patent Applications per 10,000 persons		Area of R&D base in Technoparks (m2)	
	City	Value	City	Value	City	Value
1	Bursa	2.00	İstanbul	0.31	Ankara	149,229
2	Tekirdağ	1.40	Bursa	0.28	İstanbul	64,000
3	İstanbul	1.20	Tekirdağ	0.18	Kayseri	13,500
4	Ankara	0.90	Ankara	0.16	Adana	12,000
5	İzmir	0.60	Kayseri	0.10	Bursa	7,870
6	Kayseri	0.40	İzmir	0.08	Antalya	4,375
7	Antalya	0.30	Denizli	0.05	Denizli	4,343
8	Denizli	0.20	Antalya	0.04	Gaziantep	4,250
9	Gaziantep	0.20	Gaziantep	0.03	İzmir	4,057
10	Adana	0.20	Adana	0.03	Tekirdağ	-
			Portland	1.34		
			Seattle	1.96		

Framework Conditions

Rankings of Universities in Turkey, 2011

	Computer Engineering	Electronic Engineering	Industrial Engineering	Mechanical Engineering	
Koç	1	1	1	1	1
Boğaziçi	2	2	2	3	2
Sabancı	3	3	3	2	3
Bilkent	4	4	4	4	4
İTÜ	6	6	5	5	6
ODTÜ	5	5	6	6	6
TOBB ETÜ	7	7	7	7	7
Galatasaray	8	8	8		8
Izmir	Ege	25	23	23	24
	Dokuz Eylül	29	25	23	26
	İzmir YTE	33	26	20	27
	Yaşar	39	33	25	32
	Gediz	35	29	29	38

Framework Conditions Entrepreneurial Economic Activity

Ranking	Ratio of number of firms with 1-10 employees to number of total firms in the city		Ratio of number of startups to number of total firms in the city		High-tech Coefficient (Based on Export)	
	City	Ratio	City	Ratio	City	Coefficient
1	Antalya	87.96%	Ankara	13.10%	Ankara	2.73
2	Gaziantep	87.22%	İstanbul	9.81%	İstanbul	1.31
3	İzmir	87.03%	Antalya	9.18%	Tekirdağ	0.48
4	Adana	86.86%	Tekirdağ	8.52%	Bursa	0.24
5	Kayseri	86.74%	Denizli	7.47%	İzmir	0.24
6	Denizli	86.14%	Gaziantep	6.96%	Adana	0.19
7	İstanbul	85.46%	Adana	7.26%	Antalya	0.10
8	Ankara	85.27%	Kayseri	5.52%	Gaziantep	0.06
9	Tekirdağ	84.47%	İzmir	5.35%	Kayseri	0.038
10	Bursa	84.33%	Bursa	5.18%	Denizli	0.035
					Portland*	2.11
					Seattle*	2.58

* Results of Portland & Seattle are based on LQ Coefficient calculated by Milken Institute

Success Level of Entrepreneurs

Rank	Number of Firms in Fortune 500 Turkey		Number of Firms in ISO 500 Turkey		Number of Firms in AllWorld Turkey 100		Ratio of Firms Traded at the Exchange to Total Firms in the City	
	City	Count	City	Count	City	Count	City	Ratio
1	İstanbul	263	İstanbul	195	İstanbul	47	İstanbul	0.07%
2	Ankara	45	İzmir	71	İzmir	21	İzmir	0.03%
3	Bursa	30	Ankara	27	Ankara	19	Ankara	0.03%
4	İzmir	27	Bursa	23	Gaziantep	5	Bursa	0.03%
5	Gaziantep	15	Gaziantep	19	Adana	3	Kayseri	0.03%
6	Kayseri	12	Adana	12	Bursa	3	Denizli	0.02%
7	Denizli	8	Kayseri	12	Denizli	3	Adana	0.02%
8	Antalya	7	Denizli	11	Kayseri	2	Gaziantep	0.00%
9	Adana	6	Antalya	3	Tekirdağ	1	Antalya	0.00%
10	Tekirdağ (0)	0	Tekirdağ	1	Antalya	-	Tekirdağ (0)	0.00%

Access to Public Funds for Entrepreneurs

Teknogirişim Grants

City	Share of the city in total applications	Share of the city in overall grants
Ankara	%9.9	%47.9
İstanbul	%4.4	%22.2
İzmir	%0.08	%4.1

TÜBİTAK 1507 Grants

City	Share of the city in total applications	Share of the city in overall grants
İstanbul	%38.4	%39.3
Ankara	%17.9	%18.2
İzmir	%6.6	%7.8

Total Value Added

City	Share
İstanbul	%28
İzmir	%8
Ankara	%7

Source: Ministry of Science, Industry and Technology

Source: TÜBİTAK

Source: National Statistics Institute of Turkey

		Technology Embryonix Development Teknogirişim Centers			TOTAL	
Gender	Male	8	17	44	69	92%
	Female	1	1	4	6	8%
Age	Under 24	1	2		3	4%
	25-30	7	5	38	50	67%
	31-35	0	2	10	12	16%
	36-45	1	3		4	5%
	46-60	0	4		4	5%
	Above 61	0	2		2	3%
Sector	Mechanics	0	2	6	8	11%
	Food, Chemicals, Biology	0	5	9	14	19%
	Medical	0	1		1	1%
	Environmental Energy	0	1		1	1%
	Textile	0	0		0	0%
	ICT	6	6	8	20	27%
	Electronics	1	3	16	20	27%
	Others	2		9	11	15%

Company Profiles Listed in AllWorld 100 from İzmir (aged 3 years or more)

Growth (2008-2011, median)	%72
Employment Growth (2008-2011, median)	%29
Age of the entrepreneur (median)	48
Share of male entrepreneurs	%94
Entrepreneurs who plan to start other businesses	%37
Entrepreneurs who help their employees to start a new business	%38
Entrepreneurs who are funded by angel investors or venture capital	%13
Total Number of Companies	21

Number of Movie Theatres with first national debuts

İstanbul	84
Ankara	21
İzmir	20
Bursa	13
Antalya	9
Kocaeli	7
Balıkesir	7
Manisa	7
Ordu	6
Trabzon	5
Gaziantep	5
Adana	5

Entrepreneurship development in Izmir: An assessment

■ Advantages:

- *Human Capital is above the average level*
- *Developed in manufacturing industries, services and agricultural production*
- High qualified life style with open-minded inhabitants
- International airport and seaport
- Success, high-level education & high sense of belonging in diaspora

■ Disadvantages

- *Not recognized as a hot-spot like Istanbul*
- *Relatively poor performance in Innovation*
- *Relatively poor performance in High-Tech Sectors*
- Dominant position of the family-run businesses
- Weak business cooperation

Conditions in the Silicon Valley

- Best research-based universities & colleges in the world
- High level public support with continuous progress
- Origins of finance methods such as Angel Investors and VCs
- Cultural Factors:
 - Condensed creative and cultural population
 - Culture of business cooperation
 - Respect to failure
- Developed entrepreneurial ecosystem

Can we look beyond the Silicon Valley?

- Portland, Oregon:



Modern and open-minded values

- San Diego:



Great environment and climate

- Seattle:



Are there any room for entrepreneurship despite the unavailability of conditions in Stanford?

- Houston:



Big port city and similar national economic characteristics

- Philadelphia:



Great sense of belonging

Law of Small Numbers: The case of Seattle

“success breeds success”



■ Bill Gates



Microsoft



■ Jeff Bezos

amazon



■ Howard Schultz



Fundamental Approach for the Strategy

- Ecosystem Approach:
 - ➔ All entrepreneurship is local.
 - ➔ We have a holistic approach. However, we can focus on certain parts of ecosystem:
 - Have more economic impact
 - Have higher influence area for local authorities
 - Have substantial stakeholders

- What is the role of İZKA?
 - ➔ Constituting a platform and being a catalyst
 - ➔ Supporting large-scale horizontal programs instead of personal programs
 - ➔ Supporting programs that affect maximum number of entrepreneurs