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THE GLOBAL STARTUP REVOLUTION 3.0

Ankara 2013



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What is Global Entrepreneurship Week?



140

countries

10,000

partners

20,000

events, activities and competitions

7.5 million

participants



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GEW Objectives

Inspire. GEW introduces the notion of entrepreneurial activity to those who have never considered it as a career path while motivating aspiring entrepreneurs to launch new startups.

Connect. GEW facilitates connections to help build and expand networks across national boundaries—unleashing new ideas at the intersection of cultures & disciplines.

Mentor. GEW creates an environment conducive to the sharing of ideas and experiences that are invaluable in moving from ideation to launch.

Engage. GEW provides a platform for developing more effective and inclusive entrepreneurial ecosystems—examining research, public policies and successful approaches to promoting and supporting startups and growth.



GEW 2013: Featured Activities



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The Dell logo, which consists of the word "DELL" in a blue, sans-serif font, with a blue circle around the letters.

Global Entrepreneurship Week 2013



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The Global View: A Flat & Messy Global R&D Machine



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People: The Glass Half Full Generation



Global, Open, Creative,
Connected, Generous,
Curious, Fun...

And Focused on
the Possible

Doing
well
and
Doing
good



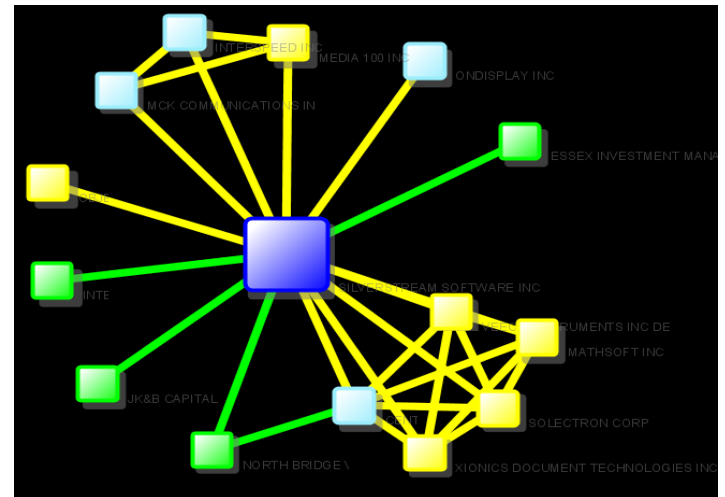
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Trends: The Science of Startups

- **Oceans Eleven: Team**
Co-founder dating – importance of an experienced co-founder with unique knowledge of the industry to make a disruptive idea into an innovation
- **Networks:**
Relationships bring talent, mentorship, smart money, markets
- **Iterative and Scientific**
Test vision continuously - validate, build your plane in the air, measure, learn...do it again
- **Bootstrapping/Affording to Fail**
Be lean as long as you can – and remember venture capital is not the prime agent for inducing entrepreneurship



Trends: New Learning New Industries

- **Experiential Learning**
Next generation thinking in entrepreneurship education
e.g. Icehouse, Startup Weekend, Bill Aulet, “Disciplined Entrepreneurship”
- **Producer Society/Maker Movement**
A new generation of startups beyond consumer technology
- **Global Accelerators**
Investors and startup junkies take their models global e.g. Geeks on a Plane/500 Startups/etc.
- **Demographic Trends**
e.g. aging population offers opportunities in health, medicine, education, construction, finance and transport



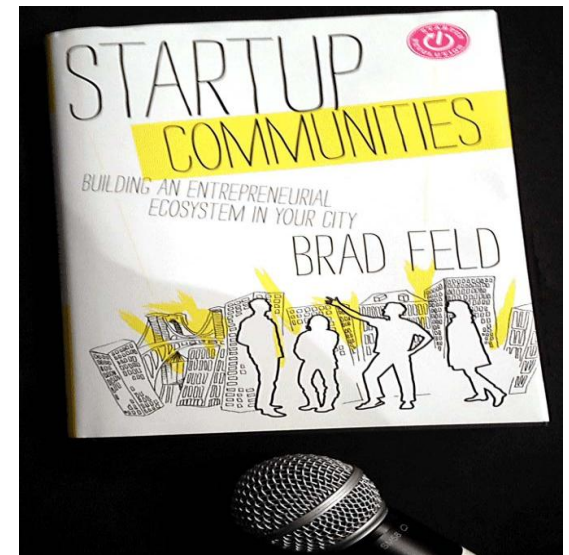
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Trends: Porous Boundaries, Local Communities

- **Level Playing Field**
Smaller economies with fewer institutions may have a competitive advantage in an age where ideas are unleashed by teams, communities and networks of individuals not institutions.
- **Diminshing National Boundaries**
Informal networks enable the quick formation of teams from any nation who either succeed... or recycle fast and then re-group in a different team for a new idea
- **Startup Communities Emerge**
“Leaders and feeders”, take the long view and give before they take





From the Top: Government's New Role



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G20 Performance

G20 COUNTRIES	2014 Ease of Doing Business Rank (World Bank; out of 189 economies)	2013 Index of Economic Freedom Rank (Heritage; out of 177 countries)	2012 Global Entrepreneurship and Development Rank* (GMU; out of 79 countries)	2012 Innovation Policy Index** (Kauffman-ITIF)
Argentina	126	160	46	Lower
Australia	11	3	3	Upper
Brazil	116	100	56	Lower-mid
Canada	19	6	6	Upper
China	96	136	58	Lower-mid
European Union	n.a.	n.a.	n.a.	n.a.
France	38	62	18	Upper
Germany	21	19	16	Upper
India	134	119	74	Lower
Indonesia	120	108	60	Lower
Italy	65	83	33	Lower-mid
Japan	27	24	28	Upper
Mexico	53	50	43	Lower
Russia	92	139	62	Lower
Saudi Arabia	26	82	25	n.a.
South Africa	41	74	45	Lower-mid
South Korea	7	34	26	Upper-mid
Turkey	71	69	36	Lower-mid
United Kingdom	10	14	13	Upper
United States	4	10	1	Upper

* GEDI:

GEDI measures and ranks countries on their entrepreneurial attitudes, entrepreneurial activities and entrepreneurial aspirations.

** Innovation Index

The Index categorizes countries as either upper tier, upper-mid tier, lower-mid tier, or lower tier. It explores seven core innovation policy areas: 1) trade and foreign direct investment; 2) science and R&D; 3) domestic market competition; 4) intellectual property rights; 5) information and communications technology; 6) government procurement; and 7) high-skill immigration.



GEW 2013 Policy Survey

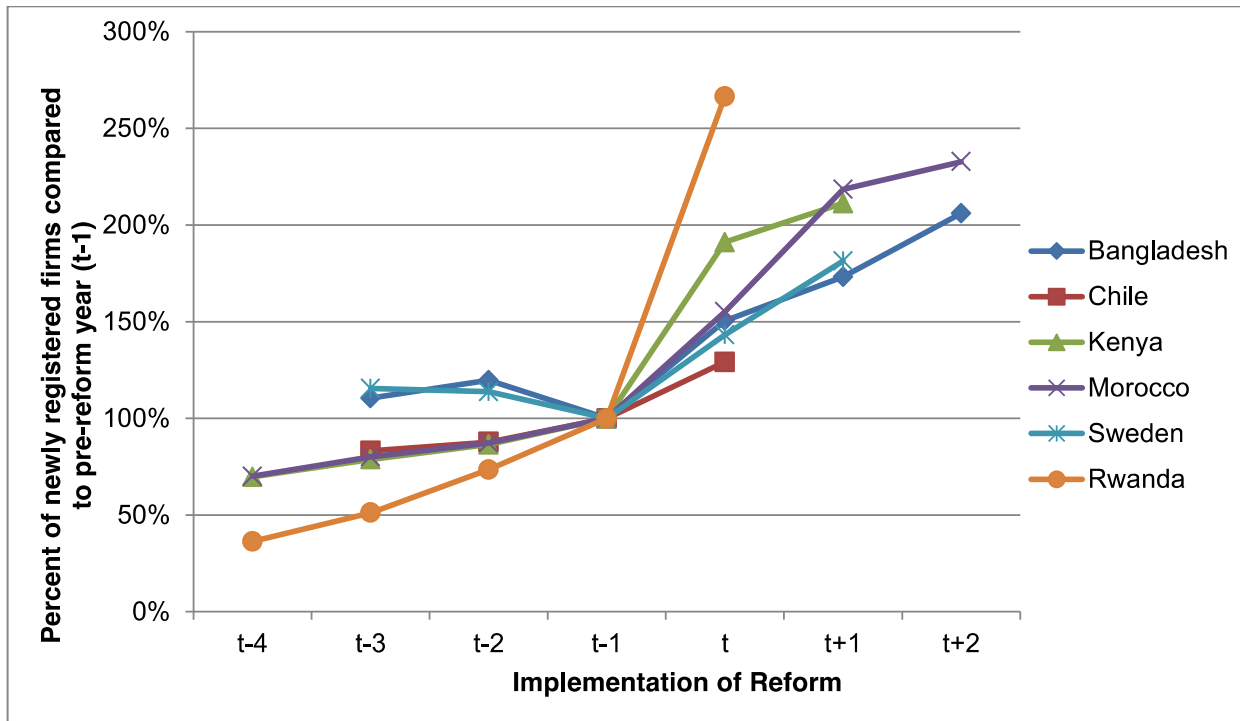
Survey of current or expected entrepreneurs in **109 countries**, including Turkey.

Some findings:

- Entrepreneurship-related regulations vary significantly from country to country
- Worldwide, access to advisors/mentors and fairness of competitors were most commonly rated positively. Tax laws were most likely to be seen as impediments, and courts perceived as not resolving disagreements effectively
- In terms of their respective entrepreneurial environments, scores for Australia & Oceania and for North America were significantly more positive, while scores for Latin America & Caribbean and Eastern Europe were significantly more negative



The Impact of Reforms



Source: Belayachi, Klapper, and Randall (2012)



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International Scorecards

- Kauffman Foundation's "International entrepreneurship and Innovation Scorecards": an approach for distilling different indicators of entrepreneurship and innovation
- Distilled a large sample of indicators into a set of those that closely complement one another
- A scorecard does not allow for comparison, but rather allows countries to know how they fare on each selected measure without placing a value judgment on the results, and leaves it up to policymakers as to what factors they prefer to emphasize
- Insights: a graph that shows a skewed or collapsed or expanded side of the polygon indicates that score for that side is out of sync
- Highlights the need for better data collection



International Scorecards

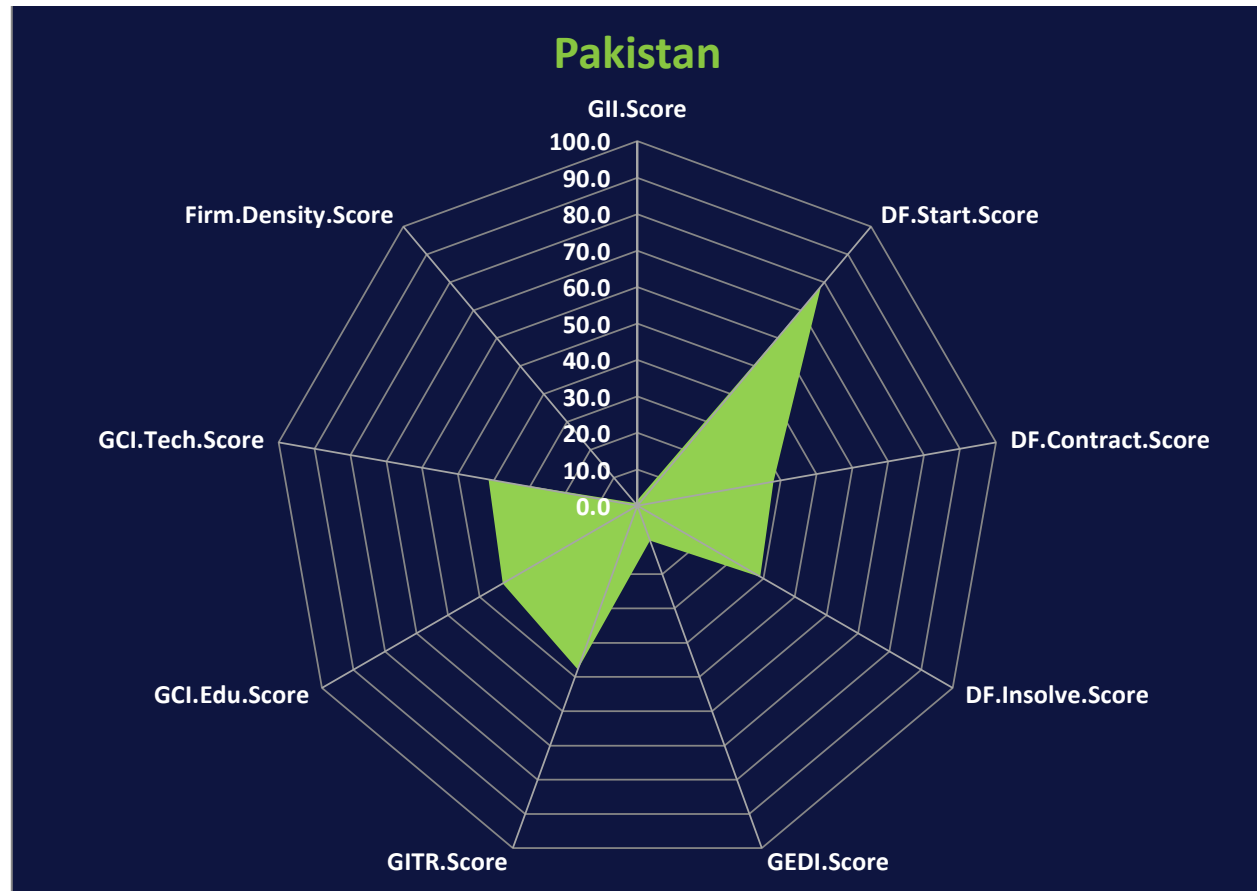
Painting a more complete picture of the ecosystem:

GII.Score	Global Innovation Index
DF.Start.Score	Distance to Frontier—Starting a Business
DF.Contract.Score	Distance to Frontier—Enforcing Contracts
DF.Insolve.Score	Distance to Frontier—Resolving Insolvency
GEDI.Score	Global Entrepreneurship and Development Institute Index
GITR.Score	Global Information Technology Report Networked Readiness Index
GCI.Edu.Score	Global Competitiveness Index 5th pillar: Higher education and training
GCI.Tech.Score	Global Competitiveness Index 9th pillar: Technological readiness
Firm.Density.Score	World Bank New Firm Density



International Scorecards

Examples



International Scorecards

Examples



Startups and the Economy

- Nearly 13% of the world's youth — close to 75 million young people — are unemployed, according to the International Labor Organization (ILO)
- *Net* job growth occurs **only through startup firms**. In the U.S., from 1980-2008, firms less than 5 years old accounted for all net job growth
- As older firms recede, high growth firms create new wealth and jobs by injecting dynamism
- The top 1% of all companies (measured by employment growth), generates 40% of new jobs. The vast majority of these firms are up to 5 years old
- While **older companies lose 1 million jobs annually, new firms add an average of 3 million jobs** in their first year
- Of companies less than 1 year old, over the past three decades:
 - Those with 1-4 employees created, on average, more than 1 million jobs per year
 - Those with 5-9 employees added, on average, half a million jobs per year.

Source: "[The Return of Business Creation](#)", July 2013.



National Strategies

- Focusing government on **better ground rules/incentives** and fewer programs
- **Promoting the entrepreneurial culture by legitimizing entrepreneurship** as a worthy career path
- Thinking **strategies not plans** – firm formation is messy and grand central planning is antithetical to innovation and organic entrepreneurial activity
- Tolerating that entrepreneurship is unpredictable
You can measure it but you cannot predict outcomes

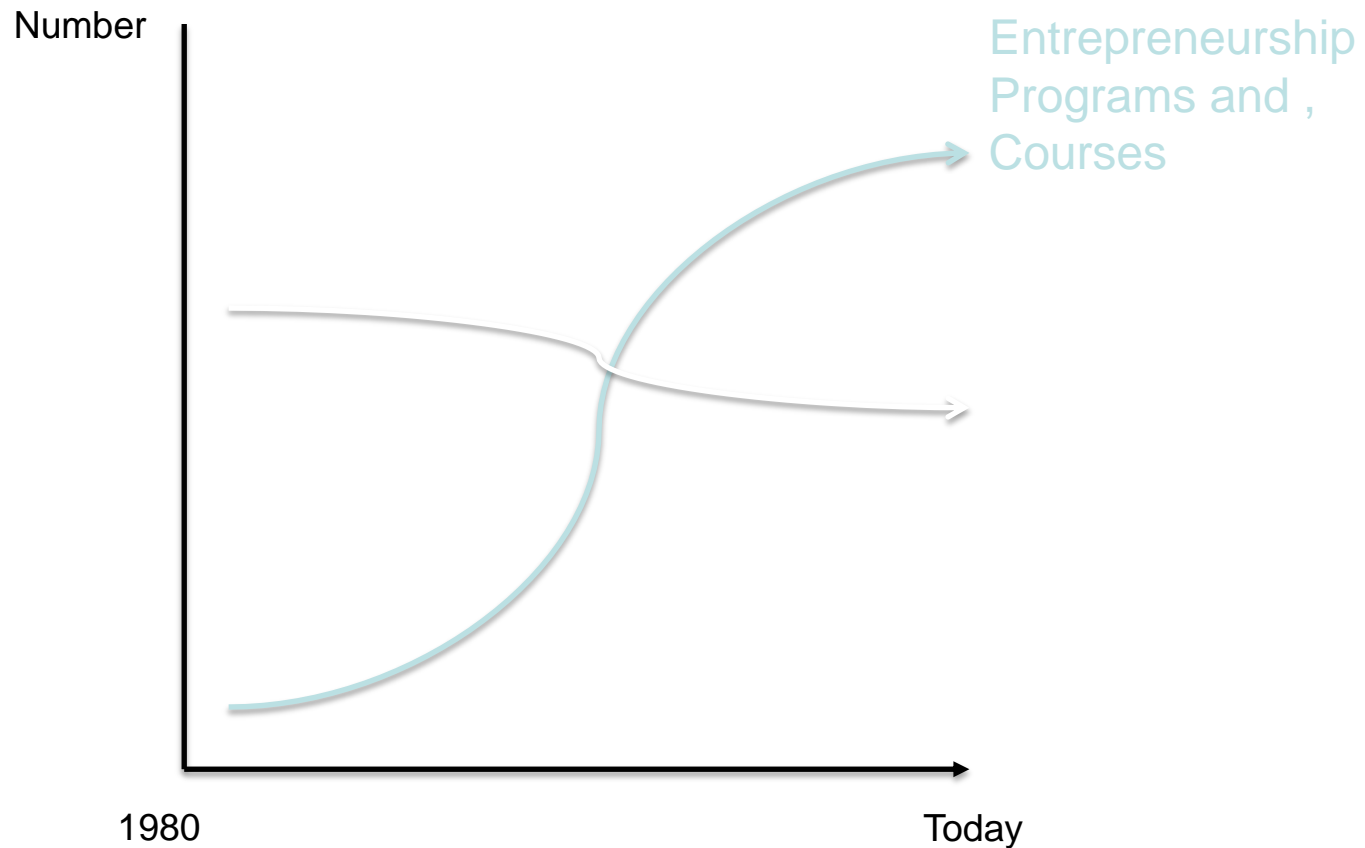


“Beta Time” for Experimenting with Different Policy Levers

- Welcoming immigrant founders and models for a more free flow of high skilled co-founders
- Lowering barriers to entry and growth and protecting new entrants from unfair practices by incumbent market leaders
- Enabling new models for early stage financing (e.g. JOBS act in US re crowdfunding)
- Tax and other incentives (e.g. payroll tax holidays) for new and young firms
- Policies to accelerate formation of new ideas in their universities
- Other basic rule of law issues around corruption, IP protection etc.



Performance and Hype: Boom in Programs to Reduced Effect



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Needed Response

- Better data – what data should governments be collecting? How should that data be used?
- Better intervention evaluation and sharing of data around program performance
- International collaboration on data standards for new firm activity
- Increased attention on scale-up
- Mapping Startup Ecosystems – “the first step in changing the ecosystem is to know and understand what it is”



New Research Network

Kauffman, the World Bank and Endeavor founded the **Global Entrepreneurship Research Network (GERN)**:

- Generate useful & actionable knowledge for entrepreneurs, policymakers and others;
- Fill gaps in what we know about entrepreneurship;
- Standardize data, especially longitudinal survey work;
- Conduct experiments & evaluation of entrepreneurship education and training programs;
- Gain a better understanding of policy barriers & what the right policies are for fostering entrepreneurship.

Member organizations commit to collecting & sharing research results.



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Startup Nations Policy Network

- Network of startup-savvy policymakers and policy-influencers in governments
- The group shares ideas about what is working and what is not in their respective environments
- Connects members to research and communicates priorities to a Global Entrepreneurship Research Network

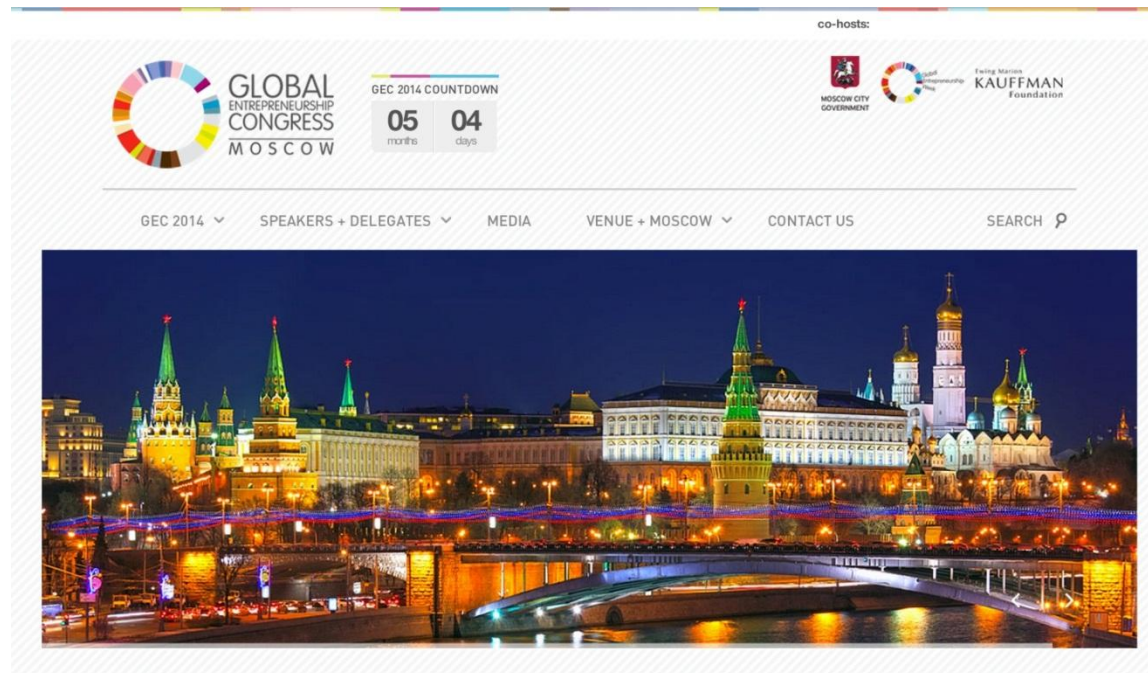


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Global Entrepreneurship Congress 2014



More information at
GEC2014.COM

Join us in Moscow

- Inter-disciplinary gathering of entrepreneurship champions—including GEW hosts from 140+ countries
- Free to attend
- March 17-20, 2014
- Help assemble a delegation for your country



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