

ICSB Annual Global Micro-, Small and Medium-Sized Enterprises Report

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Business Entrepreneur.
This Global Report is in recognition of your efforts.



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Introduction


"Empowering Voices: The 6th ICSB Global MSMEs Report on Youth, Women Entrepreneurship, and Supply Chain Enhancement"

We are thrilled to present the 6th edition of the Global Micro, Small, and Medium Enterprises (MSMEs) Report, a milestone publication by the International Council for Small Business (ICSB). This year, our focus shines brightly on the transformative potential of youth and women entrepreneurship and their crucial role in driving supply chain enhancement.

At the outset, we extend our heartfelt gratitude to the Mission of Argentina for their unwavering support and collaboration in establishing the Micro, Small, and Medium-sized Enterprises Day. Through their remarkable dedication, this global celebration was born, serving as a beacon to acknowledge and amplify the impact of MSMEs worldwide. Argentina's commitment to this cause further underscores its recognition of MSMEs as robust economic growth, innovation, and social empowerment drivers.

Aligned with the United Nations' Sustainable Development Goals (SDGs), this report delves into the intricate tapestry of MSMEs and their profound influence on sustainable development. We explore how youth and women entrepreneurs' innovative spirit, creativity, and resilience can reshape industries, foster inclusive growth, and promote equitable opportunities for all. Moreover, we recognize the critical importance of nurturing supply chains that uphold responsible practices, promote fair trade, and contribute to a more sustainable future.

Within these pages, we embark on a journey to explore the transformative power of humane entrepreneurship. It is a clarion call to foster an ecosystem that values empathy, compassion, and ethical practices, nurturing enterprises beyond profit-making to create positive social impact. By highlighting the significance of humane entrepreneurship, we aim to inspire entrepreneurs, policymakers, educators, and stakeholders to embrace a people-centric approach that prioritizes well-being, diversity, and sustainable practices.



We would also like to express our deep appreciation for the invaluable contributions of the Organization for Economic Co-operation and Development (OECD). Their steadfast commitment to MSMEs, evidenced by their support for MSMEs Day and their research-driven initiatives, has been instrumental in advancing the global discourse on empowering these enterprises. The OECD's comprehensive insights and policy recommendations further emphasize the importance of fostering an enabling environment for MSMEs to thrive.

As we embark on this enlightening journey, let us reflect on the words of Paulo Coelho in his timeless work, "The Alchemist." He reminds us that every individual has the power to transform their dreams into reality, forging their unique path to success. In this spirit, we invite you to delve into the depths of this report, where we explore inspiring stories, research findings, and practical insights that illuminate the way forward for MSMEs.

Together, let us embrace the empowering potential of youth and women entrepreneurship, celebrate the dynamism of supply chains, and champion the cause of humane entrepreneurship. With this report, we aim to inspire action, foster collaboration, and pave the way for a future where MSMEs flourish, driving sustainable and inclusive growth for the betterment of society. Together, let us champion the voices of MSMEs, empowering them to create a brighter, more inclusive future.

Best Regards,

Dr. Ayman ElTarabishy
President & CEO, ICSB

WORLD
OF
ENTREPRENEURSHIP

The Top 10 Micro, Small, and Medium Enterprises Trends for 2023

Dr. Ayman El Tarabishy

President & CEO of the International Council for Small Business; Deputy Chair of the George Washington University School of Business, Department of management



Micro, Small, and Medium-Sized Enterprises Established as the Core Engine for Growth and Optimism throughout the Global Economy

The dawn of 2023 finds the world in new tensions and uncertainties with a significant war, high energy costs, and new Covid-19 variants. These tensions and the consequences of the COVID-19 pandemic have been un-relentless and catastrophic. Governments are looking to each other and the private sector to forge new solutions to problems facing us. Resilience and frugality have continued to be the most popular themes since 2022.

Although the past 12 months have challenged us, we still believe that MSMEs and Humane Entrepreneurship provide the best framework for an effective and comprehensive recovery. MSMEs are deeply integrated and in touch with their local communities, allowing them to extend further the principles of frugal innovation and the possibility of complete recovery.

Although the pandemic and current war have altered much of our previous expectations for 2022, there are still many positives and plenty of opportunities for businesses to take advantage of. Looking forward to 2023, numerous trends offer glimpses of solutions for those bold and innovative enough to seize them. Here are ICSB's top trends for 2023.

10

Number Ten Trend

ENTREPRENEURS GOING ALONE AND SMES SEEKING TO SCALE

In 2022, we declared that entrepreneurs are going alone. But, even if they continue to do so, there is the other side of the coin; MSMEs are looking to scale. Can you have both? The answer is, of course, Yes.

Many governments have launched scale-up programs that help medium-sized businesses unlock their potential and grow faster. MSMEs can contribute to productivity, but they need help. Within the same sector or countries of similar size, the productivity gap between large companies and MSMEs can vary by a factor of two or more.

Improving the productivity of MSMEs is, therefore, a worthwhile endeavor. Specifically, they should focus on promoting a healthy and well-performing MSME ecosystem.

9

Number Nine Trend

FLEXIBILITY OF THE FUTURE: EMPLOYEE POLICIES & WORKPLACES

A famous 1958 author Jane Jacobs titled “Downtown is for People,” proclaimed there is no logic that can be superimposed on the city; people make it, and it is to them, not buildings, that we must fit our plans.” Before the pandemic, ninety-five (95) percent of offices were occupied. Today that number is closer to forty-seven (47)percent. Yet, even two and a half years later, most city downtowns are not back to where they were pre-pandemic.

Despite the forced embrace of a hybrid model, most small businesses have yet to scratch the surface regarding flexibility within future work environments and employee policies. This past year has adopted various models that promoted working from home, hybrid modalities, and family-focused employee structures to aid the quick transition the world shared. However, this flexibility must be balanced with the subsequent feelings of anxiety. To ensure the sustainability of pandemic-style productivity, MSMEs should address these new challenges through creative solutions that innovate past the “previous norm.”

A new term is evolving called “innovation districts.” How unique it is can be for debate, but the issue remains. We need to innovate our workplace, or they rot.

8

Number Eight Trend

THE FUTURE OF BUSINESS SCHOOLS AND MSME DEVELOPMENT

How relevant are business school programs in today's world? This question has begun to generate a lot of attention from public and private sector agencies. Yet, in all the reports that have been published, one observation stands out: the programs offered by many business schools should be better adapted to the requirements of today's world and organizations.

So, are business schools on the wrong track? For many years, business schools enjoyed rising enrollments, positive media attention, and growing prestige in the business world. However, due to the disruption of Covid-19, many previously ignored issues relating to MBA programs resurfaced. As a result, MBA programs now face lower enrollments and intense criticism for being decent in preparing future business leaders and ignoring essential topics like ethics, sustainability, and diversity and inclusion.

This new trend raises the relevance and content of business school curricula and to what extent their research and training orientations can be made more purposeful to society. This contributes to this debate by providing a rich plethora of ideas, experiences, and studies that address the renewal process of business schools.

7

Number Seven Trend

THE EVOLUTION OF WOMENPRENEURS

Women have consistently met challenges with creativity and quick thinking while often prioritizing sustainable, community-driven solutions. These are the values and experiences businesses need to build on and grow. Simply put, women-run enterprises are one of the top growing economies in an ecosystem looking for new growth opportunities. Therefore, all women must have access to solutions that increase and support their participation.

Women make up the bulk of small business employees and have succeeded at creating a robust, innovative, and crucial small business ecosystem despite historical and current challenges to their participation in the business world.

Women have consistently dared to pursue creative and lasting solutions to their community's problems, and they have done so with virtually no support or investment from traditional sources. Imagine the impact women in our communities could accomplish with adequate support and resources.

6

Number Six Trend

MENTAL HEALTH IN THE WORKPLACE

Before the pandemic, roughly twenty (20) percent of adults in the U.S. dealt with mental health disorders. However, the Covid-19 crisis appears to have exacerbated the problem of poor mental health among small business owners. We still do not know the full impact of COVID-19 on mental health, but we do know that it has taken a toll on business owners, especially as they face financial uncertainty amidst lockdowns and closures.

ICSB has been connecting with a significant number of global partners from around the world, discussing this issue and how it is critical to address it at all levels. Running your own business can be hugely rewarding, but for many small business owners, having sole responsibility for the company's success or failure can take its toll physically and mentally.

A national and international meeting is needed to discuss this issue further and propose supporting guidelines.

5

Number Five Trend

ARTIFICIAL INTELLIGENCE ARBITRAGE

With the advent of new open source Artificial intelligence (AI) technology such as ChatGPT, Small businesses can be the first to master this new technology and apply it to their everyday workflow.

AI can potentially help small businesses in several ways, including

1. Automation: AI can automate various business processes, such as data entry, customer service, and marketing. This can help small businesses save time and reduce the need for manual labor.
2. Data analysis: AI algorithms can analyze large amounts of data and identify trends and patterns that may not immediately appear to humans. This can help small businesses make better-informed decisions about pricing, marketing, and product development.
3. Predictive modeling: AI can be used to build predictive models that can help small businesses forecast demand for their products or services, allowing them to better plan for the future.
4. Personalization: AI can deliver personalized customer experiences, such as product recommendations or targeted marketing campaigns.
5. Improved efficiency: By automating specific tasks and processes, AI can help small businesses operate more efficiently and reduce the risk of errors.

It is important to note that AI is still developing and may only be suitable for some small businesses. Therefore, small business owners should consider AI's potential benefits and drawbacks before implementing it.

4

Number Four Trend

HUMANE ENTREPRENEURSHIP: COACHING AND MENTORING OF EMPLOYEES

The pandemic influenced the world's collective attitude to emphasize sympathy and empathy. This attitude has been expressed in our daily lives, professions, and purchasing power. Small businesses bring the best for empowerment in the workplace.

Coaching and mentoring can benefit organizations of all sizes, including micro businesses. Coaching and mentoring programs give employees new ways to connect, learn, and grow within their career paths when conducted efficiently and productively. Although the importance of mentoring in an organization can often be overlooked as the benefits are not easily quantifiable, mentoring increases job satisfaction, workforce engagement, and profits.

Humane Entrepreneurship is about putting the human first and then building from there.

SMEs are encouraged to support this emerging consumer movement by utilizing mobile-friendly websites and applications, so the brand and its offerings are easily visible to its consumer base.

3

Number Three Trend

TOURISM AND SPORTS FOR MSMES DEVELOPMENT AND GROWTH

In an increasingly global society, things like travel, tourism, and sports seem a given. Four billion people just watched the World Cup in Qatar. After the past two years of lockdown, we are seeing a grand re-emergence of tourism and global sporting events worldwide.

Sustainability in tourism makes responsible traveling accessible and obligatory. Those traveling can enjoy a trip without the guilt of environmental degradation while appreciating the larger natural world more intimately. Additionally, responsible tourism policies could support the current efforts of small businesses globally, especially those micro-businesses situated on islands and in coastal regions already affected by the consequences of a changing climate.

Sustainable development has been listed as a priority by the United Nations since the early 2000s. Its progress, however, must accelerate to keep up with our worsening climate crisis. We must move more quickly and with more partners and stakeholders. Innovation is needed.

2

Number Two Trend **GOING ANALOG IN A DIGITAL WORLD**

It has been a rapid, relentless, and unyielding succession of newness. A succession in which you can either try to keep up with all these innovations and comprehend them or become a dinosaur.

Conventional wisdom and many media outlets say that globalization has stalled. But although the trade of global goods has flattened and cross-border capital flows have declined sharply, globalization is not heading in reverse. Instead, it will enter a new phase defined by soaring data and an information tsunami. Eighty-five (85) percent of people around the globe who are connected online send and receive emails, and sixty-two (62) percent communicate through social networking sites, f/ .

We live in a digital world, but what is exciting is that analog is coming back. The reason is that people still put enormous value into the human touch, feel, and experience of physical meetings. A small glimpse of what is coming back is that vinyl record sales recently surpassed total CD sales. As a result, MSMEs are taking prompt notice and smiling.

1

Number One Trend **PEACE FOR ECONOMIC DEVELOPMENT AND PROSPERITY**

Russian, Ukrainian entrepreneurs, and small business owners feel the steep effects of a wartime economy. While the rest of the world sees skyrocketing natural gas prices and dwindling supplies of staples like wheat, the Russian and Ukrainian experiences with both are intensified.

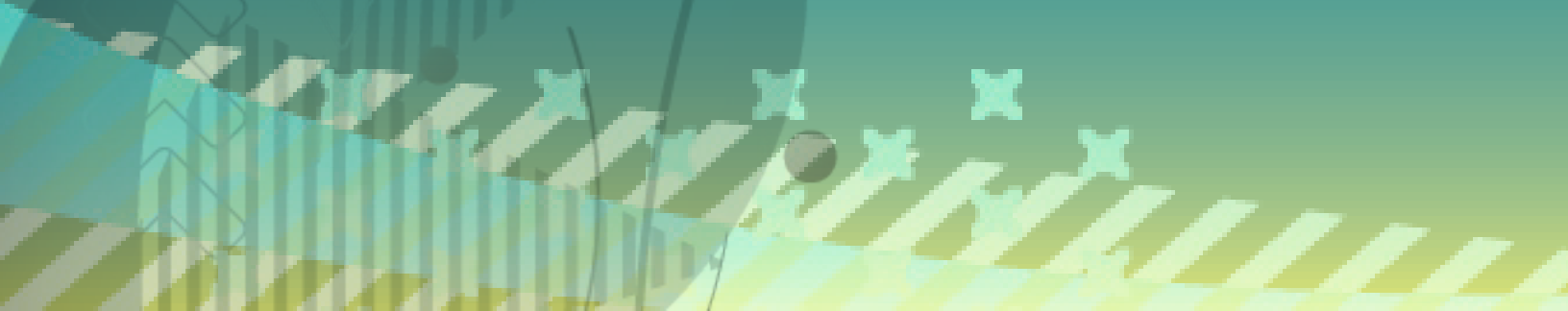
In 2016, ICSB, through Dr. Ayman El Tarabishy, formulated a proposal for a United Nations Day for MSMEs; he intended to see a day in which all countries, stakeholders, and companies of all sizes might celebrate the importance of MSMEs as the core units of modern society. The proposal was when all wars end, the first to open again are micro-, small and medium-sized enterprises. It was understood that they are vital to rebuilding economies. MSMEs Day, and the day of the 27th of June 27th, was intentionally and symbolically chosen, marking it one day after the U.N. Charter was signed initially (June 26, 1945). The message was clear; it reminded all countries worldwide that MSMEs are necessary and crucial to solve global challenges. Furthermore, it demonstrates the importance of MSMEs as indicators of a peaceful society.

MSMEs Day was created as a platform for the global community to build ideas, synergies, and initiatives to help MSMEs prosper and grow while turning international attention towards achieving the SDGs through them. Finally, MSMEs Day was the chance to choose empathy over judgment, equity over greed, enablement over denial, and empowerment over restriction.

In days of the war, the future might not seem as if it is being guided towards prosperity, but take a moment and look around. The world is standing up and fighting to honor humanity. So when companies pivot their creative solutions to aid those suffering in war, it is the correct way forward.

MSMEs Global Dashboard

DASHBOARD







A framework to support small firms in developing countries navigate crises and build resilience

Publication by the International Labour Organization (2021)

Executive summary

For centuries, businesses have been impacted by shocks and disruptions ranging from recessions and wars to natural disasters, diseases, and political crises. While diverse, these shocks can be grouped into three major categories with different frequencies and impacts on small businesses: economic cycle shocks, catastrophic events, and market-disruption trends. Economic cycle shocks such as financial crises or credit defaults, and global or regional recessions, can cause raw material shortages, interrupt access to markets, drive fiscal and monetary instability, or excessive inflation. Catastrophic events such as natural disasters and pandemics often cause losses of lives and livelihoods and destroy productive assets. And market-disruption trends, driven by technology innovation or globalization, directly disrupt economic sectors and businesses, especially the smaller, less adaptive ones. But regardless of origin, shocks often

take a direct toll on otherwise viable small firms, reducing employment levels, as well as the access to decent working conditions.

Small businesses tend to be hit particularly hard by shocks and disruptions. There are many well-known reasons why small businesses are less resilient than larger ones, including their difficulty in accessing financing, limited market access, low negotiation ability, deficiencies in managing cash flows, low productivity, limited skills, and capabilities, and an intrinsically vulnerable workforce.

At the same time, developing country governments are often less prepared to support small firms, more so in times of crisis. Their challenges include their own resource constraints, both financial and capability-wise, political instability and policy dispersion and often rigid regulatory infrastructures. The task of

supporting small firms also requires developing country governments to address a highly fragmented constellation of small firms, including informal ones.

This paper proposes a framework with a large set of policy options that can help guide developing-economy governments as they support small businesses confront crisis-related shocks, and build resilience against them. The framework provides a structured way to handle short-term liquidity risks, tackle short- to mid-term operational challenges, address fundamental issues of employment continuity and protection of workers, avoid systematic damages to the legal and financial infrastructure, and build up risk management capacity and capabilities.

The measures included in the framework fall under two pillars 1) Crisis management – to mitigate and relieve small firms of stress brought on by sudden shocks, and accelerate their recovery and 2) Business resilience – to enhance the survivability of small firms before they face the next shock by helping them improve their risk management capacity and capabilities. For each of the two pillars, the framework details out objectives, levers, as well as concrete measures and examples of how they were brought to life during past crises, including the COVID-19 pandemic.

The crisis management measures proposed are also quantified in terms of their frequency of use during the COVID-19 pandemic. This analysis, based on approximately 1'600 measures collected from the World Bank database of SME support measures in response to COVID 19¹, shows that most government interventions have focused on improving small firms' financial stability and liquidity (approximately 70%), followed by supporting employment continuity

and adaptation (approximately 25%). Only approximately 5% of the reported measures addressed operational adaptation, and fewer than 1% sought to facilitate restructuring.

While financial measures may offer immediate relief, the necessary financial and cash resources may not always be available to developing country governments, as well as come with increased indebtedness, a growth of poor performing loans and potential inflationary risk, if implemented at a large scale. Governments may thus also wish to consider interventions that help small companies adapt their operations, and restructure, that can potentially involve less cash resources and have a more sustainable mid- to long-term impact. At the same time, governments could invest proactively in resilience measures and engage in stronger collaboration with other ecosystem players, such as employer and workers' organizations, NGOs, donors, financial institutions, academia or larger private players with the ability and willingness to support small firms in times of crisis.

The proposed framework is nonetheless not aimed to advocate for one particular type of measure or provide a "one-size-fits-all" solution. While each individual measure has the potential to provide effective support, their optimal mix, sequencing, and deployment choices strongly depend on a multitude of factors such as the type of crisis, focus segments – their needs and ability to access support –, the broader ecosystem dynamics, as well as the governmental resources available.

Overfocusing on the "what", with insufficient consideration on the "how" is one of the factors that can cause support

measures to fail on the way between inception and deployment. To overcome this challenge, this report also suggests a three-step thought process that governments could go through when deciding what measures to focus on, as well as how to drive their deployment.

First, policymakers may need to diagnose the type of crises impacting their constituencies and identify the segments to focus on, be they priority industry sectors, or particularly vulnerable targets, such as women, young entrepreneurs, and informal firms. They could then proceed to defining the list of measures that can best address priority segments' pain points, and tailor them to their specific needs and means of accessing support. Next, governments would need to define deployment channels that maximize the reach of the support measures, as well as means to monitor and flexibly adjust the measures. For example, policy makers would need to make sure they develop deployment mechanisms that support a fair access and mitigate potential fraud, while not over-formalizing the access through complex application processes or extensive documentation.

In undergoing these challenging tasks, governments could rely on two good practices, 1) Strategically coordinating their support – to harness the power of different governmental agencies, and ensure a rapid, streamlined reaction in times of pressure, 2) Proactively activating the broader ecosystem, including employers and business organizations, donors, NGOs, financial institutions, trade associations, academia and large firms – to both complement their limited resources and tailor and deploy measures that are the right fit to small firm specificities. At the same time, governments can benefit from building their crisis response upon existing SME programmes, that can be activated and scaled up in times of crisis. This can save significant time and resources spent on agreeing on the approach, designing the policy, passing it into law, and fine-tuning the implementation mechanisms.

Additionally, the paper also highlights considerations related to special targets that governments may choose to provide an even more tailored and dedicated support to, such as the informal sector, women entrepreneurs, young workers or small firms with a high growth potential.

Last, but not least, as the implementation of any support measures depends on the efficiency of the state and the way it articulates within itself and with the rest of the actors involved, the measures proposed would need to be complemented by actions to help governments rebuild themselves and contribute to creating an enabling business environment to make both policymakers and companies better prepared to face future crises.

Endnotes

1 World Bank. 2021. *Map of SME-support measures in response to COVID-19*. Available at: <https://www.worldbank.org/en/data/interactive/2020/04/14/map-of-sme-support-measures-in-response-to-covid-19>. Accessed on July 2nd, 2021.

Access to finance for young african entrepreneurs

Insights from the International Trade Centre's YE! Community

Mayara Louzada Alarcao Sobral, Associate Programme Officer, ITC
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Floriana Borino, Programme Officer (Economist), ITC

INTRODUCTION

Young people are more entrepreneurial than ever. They are more likely to start a business than older generations.¹ As digital natives, they are more familiar with technology, and often less risk averse than their older peers. This situation is reflected in Africa's private sector, in which young entrepreneurs own and operate the majority of micro, small and medium-sized enterprises (MSMEs).^{2 3}

Promoting youth-led businesses can yield important societal and economic benefits, as they often drive and spread innovation within their communities and countries. To do so, youth-led companies must be able to invest in and grow their businesses, which is partially dependent on their access to finance. However, youth-led small firms face unique challenges in finding and securing funding.⁴ They are also affected by many of the issues confronting older business owners, and small firms in general, but the owners' age often exacerbates them. For instance, younger people have shorter credit histories and fewer assets to use as collateral, further disadvantaging their companies.

Youth-led businesses are more likely to struggle securing financial resources, particularly from traditional or formal institutions. Three out of four (76%) youth-led firms indicated access to financial institutions as an obstacle to current operations, in a survey conducted by the International Trade Centre (ITC) in Argentina, Hungary, Kenya, Morocco and The Gambia in 2017 and 2018. This compares with 59% of non-youth-led companies.⁵

This report sheds light on the financing needs of youth-led MSMEs in Africa. In short, it finds that:

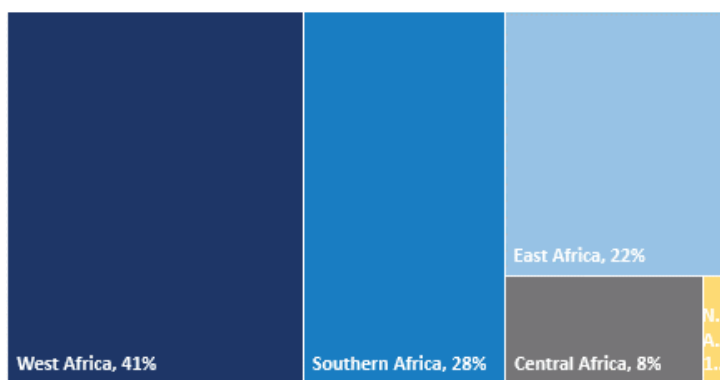
- More youth-led firms need finance. As they become more numerous and try to expand, a higher number of youth-led MSMEs seeks external sources of finance.
- Youth-led MSMEs are less likely to approach traditional sources, such as banks and other formal financial institutions.
- When they do approach financiers, youth-led companies are less likely to obtain funding. The situation is worse for the very young and women entrepreneurs.
- As a result, youth-led firms are turning to alternative – and sometimes suboptimal – sources of finance, such as own savings, and family and friends.

Youth-led businesses have a high potential to mitigate unemployment and leverage Africa’s demographic dividend. To turn potential into reality, there is need for focused and prompt action to close their financing gap. This report provides some recommendations on how to do it, based on insights from young entrepreneurs in ITC’s YE! Community.

ASSESSING FINANCING NEEDS OF YOUTH-LED AFRICAN FIRMS

In 2021, ITC conducted a survey to assess how young business owners seek and access funds from different sources. The *Access to Finance Needs of Youth in Africa Survey* focused on youth-led MSMEs, with data gathered from firms in Botswana, Cameroon, the Democratic Republic of Congo, Egypt, Ghana, Kenya, Liberia, Malawi, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, The Gambia, Tanzania, Togo, Tunisia, Uganda, Zambia, and Zimbabwe (Figure 1).

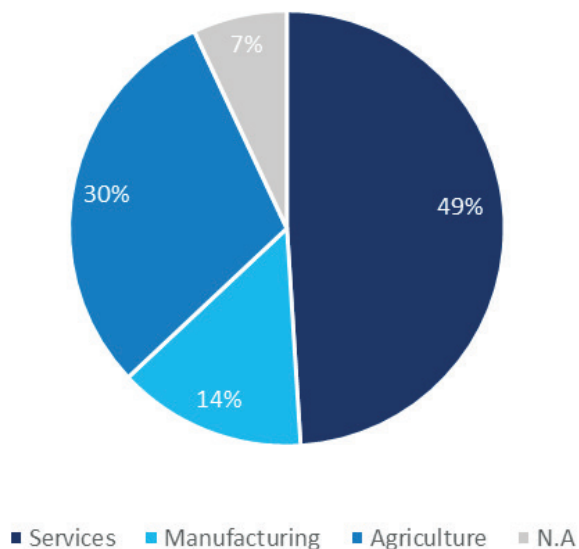
Figure 1: Geographical distribution



Source: ITC calculations based on the *Access to Finance Needs of Youth in Africa Survey*.

All companies surveyed are classified as MSME (i.e., with less than 99 employees). Almost half of respondents (49%) are active in the services sector, 30% in agriculture and 14% in manufacturing (Figure 2). Over 67% of respondents identify as male, with the remaining 33% identifying as female.

Figure 2: Sector of activity



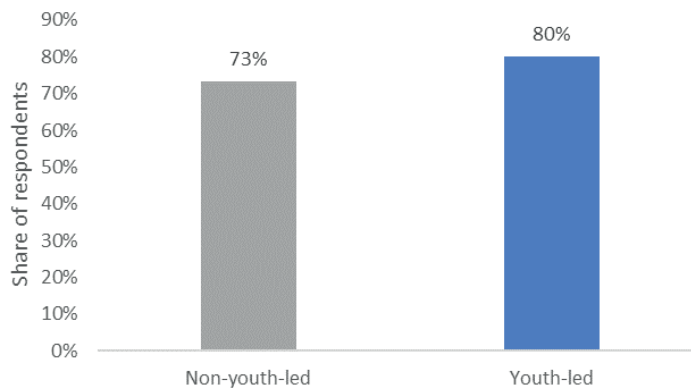
Source: ITC calculations based on the *Access to Finance Needs of Youth in Africa Survey*.

This report complements the findings of the *Access to Finance Needs of Youth in Africa Survey* with data from other ITC surveys conducted between 2018 and 2022, particularly the *SME Competitiveness Surveys* (SMECS), which utilize a representative sample of national companies to assess the strengths and weaknesses of firms and their business ecosystem.⁶

YOUTH-LED FIRMS MORE LIKELY TO NEED FINANCE, BUT LESS LIKELY TO APPLY

More youth-led firms need finance, compared with those led by older people. ITC's SME Competitiveness Surveys show that four-fifths (80%) of African youth-led firms reported needing finance, compared with 73% of non-youth-led firms (Figure 3).

Figure 3: Youth-led businesses more likely to need finance



Note: Respondents were asked: "Is the establishment in need of any of the following forms of financing? (i) A loan, (ii) Equity financing, (iii) Financing through the issuing of bonds, (iv) A line of credit, (v) Letters of credit"

Source: ITC calculations based on SME competitiveness data collected in 9 African countries, between 2017 and 2022.

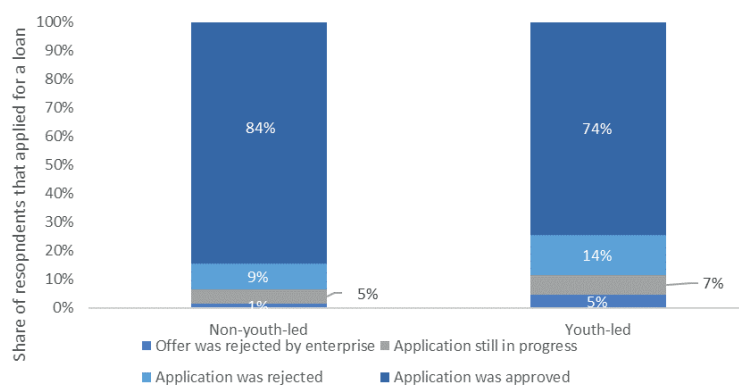
Although they need funds, youth-led firms are less likely to approach financial institutions. When asked if they had approached potential investors, 45% of youth-led companies said they did, compared with 50% of non-youth-led businesses.

Youth-led firms may be less inclined to approach formal financial institutions to fulfil their financing needs knowing that lenders are often reluctant to provide loans to young people. They may also be unable to present a properly structured business plan to encourage financing. In the services sector, for example, only 49% of youth-led enterprises reported being fully capable of presenting a structured business plan to a bank for loan purposes. This compares with 57% of businesses led by older entrepreneurs according to the SME Competitiveness Surveys.⁷

YOUNGER ENTREPRENEURS LESS SUCCESSFUL IN SECURING FUNDS

Raising bank finance is more challenging for youth-led businesses. Young people are unlikely to have an established credit history, limiting their ability to secure finance through conventional channels.⁸ The ITC SME Competitiveness Surveys show that the share of African firms that applied for a loan, but whose applications were rejected, was 14% for youth-led firms, compared with 9% for non-youth-led firms (Figure 4).

Figure 4: Youth-led companies loan rejections higher compared to non-youth

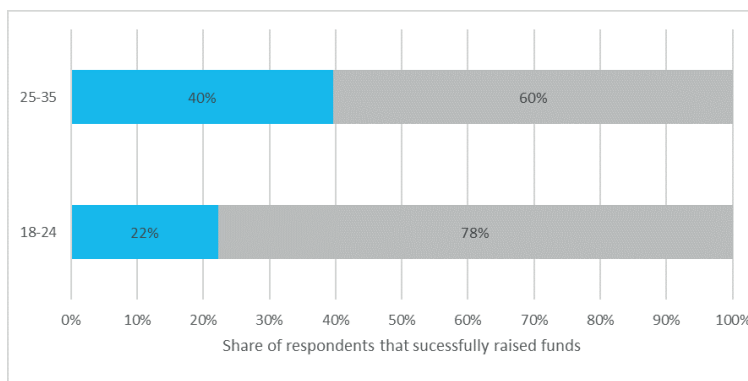


Note: Respondents were asked “What was the outcome of that application (in the case of multiple applications, please select the highest by value of the loans)? (i) Application was approved, (ii) Application was rejected by bank, (iii) Offer was rejected by enterprise, (iv) Application still in progress, (v) Do not know”.

Source: ITC calculations based on SME competitiveness data collected in 4 African countries, between 2017 and 2022.

The younger the business owner, the harder it is to secure funding. Among youth-led firms, those owned and managed by individuals below 24 years of age have the lowest success rate in fundraising, according to the *Access to Finance Needs of Youth in Africa Survey*. While nearly 40% of firms owned by people aged 25-35 reported successfully raising funds in the past, only 22% of those managed by individuals aged 18-24 said the same (Figure 5).

Figure 5: Younger entrepreneurs less likely to successfully raise funds



Note: Respondents were asked “Have you successfully raised funds before?”

Source: ITC calculations based on the Access to Finance Needs of Youth in Africa Survey.

Similarly, young women are disadvantaged when it comes to securing funding for their businesses. Women-owned firms tend to be underserved by the traditional financial sector compared to businesses led by young men⁹. The *Access to Finance Needs of Youth in Africa Survey* illustrates this reality: nearly 5% of young women who own businesses reported successfully raising funds from microfinance institutions, and from banks, compared with 10% of young men securing microfinance, and 18% funding from banks.

Both supply and demand factors are hindering women's access to finance. On the supply side, young women-led firms are perceived as riskier, as they are typically smaller and with limited or no collateral. On the demand side, differences in educational attainment and life experiences – often born out of male-dominant cultures – imply that women have limited awareness and understanding of the products and services of the formal financial sector, particularly when young. Similarly, biased norms, such as inability to hold property or land title to serve as collateral, may also constrain women's capacity to obtain finance from traditional sources.¹⁰

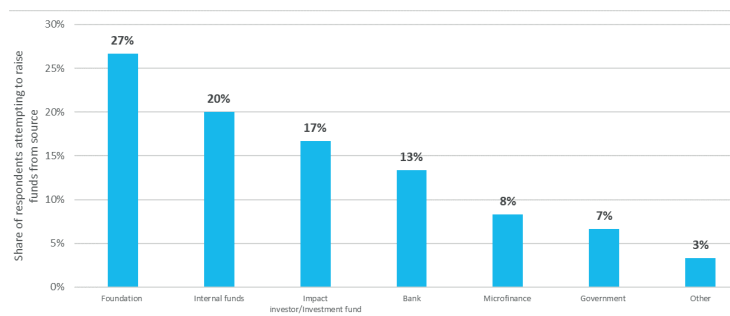
YOUTH-LED FIRMS TURN TO ALTERNATIVE SOURCES

Partially owing to their difficulties in accessing traditional sources of finance, African youth-led MSMEs have been turning to alternative financing instruments such as venture and philanthropic capital, our survey shows.

Commercial products, including government-backed and bank loans and microfinance instruments, are the least mobilized sources of funds by youth-led firms. Alternative financing instruments represent the main sources of finance for youth-led businesses, including foundations (27%) and venture capital and impact investors (17%) (Figure 6).

In addition, youth-led companies rely heavily on internal funding, with 20% reporting collecting funds from friends, family or personal savings, compared with 11% for businesses not led by youth. While these alternative sources may be easier to access than traditional products, some, like informal lending, may come at greater cost and risk to young entrepreneurs.

Figure 6: Youth-led firms combine several financial instruments



Note: Respondents were asked “Have you ever attempted to raise funds before?”, “From whom/which organization did you raise the money (select the most appropriate option): (i) Banks, (ii) Foundation, (iii) Impact investors, (iv) Government, (v) Investment funds/venture Capital, (vi) UN, (vii) Other”.

Source: ITC calculations based on the Access to Finance Needs of Youth in Africa Survey.

RECOMMENDATIONS

Based on the survey findings, policymakers and development partners aiming to increase access to finance for young entrepreneurs, should focus on:

Building the skills and confidence of young entrepreneurs to approach banks and apply for finance.

- Young entrepreneurs are less likely to apply for funding and secure it. It is important that young entrepreneurs are equipped with the knowledge, skills, and tools to feel confident in approaching banks and submitting applications. Training programmes and mentorship can play a pivotal role in developing the required competencies, such as budgeting, financial planning and forecasting, and investment strategies. It is also important that information about available funding (e.g., special funds or grants, subsidized loans, relevant investors) and related requirements are accessible to young entrepreneurs.

Working with financial services providers to de-risk young entrepreneurs.

- Young entrepreneurs are perceived as high-risk by traditional financial service providers (FSPs). FSPs consider a set of criteria when assessing loan applications, such as credit history and business track record, which tend to be poorer for youth. This leads to higher requirements (e.g., collateral and interest rates) with which youth-led MSMEs struggle to comply. In addition, young people might also face additional barriers due to FSPs' own biases about young entrepreneurs and skepticism towards their capacity and reliability to repay.¹¹
- By lowering the risk perception of FSPs about young entrepreneurs, the conditions under which funding is offered should improve. For instance, by setting up funds that mix grant and loan financing, or providing loan guarantees to youth-led MSMEs, governments and development partners can provide a safety net that allows FSPs to lower interest rates and collateral requirements. Products that accept alternative sources of collateral, for example equipment leasing or lead-firm finance, can also be more youth-friendly.
- FSPs might also consider restructuring their disbursement process to include specific business and repayment milestones. Thereby the business performance and repayment behavior can be monitored, lowering the risk of default.
- These alternatives can support youth in building a financial track record and familiarize themselves with bank requirements, eventually making them ready to access commercial products.

Promoting alternative sources of finance that cater for young entrepreneurs

- Young entrepreneurs have been more successful in mobilizing alternative sources of funding, such as philanthropic capital and venture capital. These types of investments are of special value to the entrepreneurs and their business as they often provide more than financial capital: investors often bring additional resources, such as their network and knowledge, that the business owners can draw upon.
- Increasing the availability of such types of finance would have a positive effect in the ability of young entrepreneurs to fundraise. For instance, the provision of incentives for investors, such as co-investment matching grants or tax exemptions, when investing in youth-led MSMEs could help move the needle towards more funding to this target group.

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Endnotes

1 (Guerrero, 2019)

2 (Strategy Consulting, 2022)

3 ITC defines MSMEs as companies with one to 99 employees, and large businesses with 100 or more.

4 ITC defines youth-led firms as those owned by a person with less than 35 years of age.

5 ITC SME Competitiveness Surveys. A total of 1,308 firms were surveyed in Argentina, Hungary, Kenya, Morocco and The Gambia in 2017 and 2018 (OECD,WTO, 2019).

6 More information on the SME Competitiveness Surveys can be found at <https://intracen.org/resources/data-and-analysis/research-and-data>.

7 (ITC, 2022)

8 (Schøtt, 2015)

9 (ITC, 2019)

10 (Alliance for Financial Inclusion , 2022)

11 (OECD and European Commission, 2012)



Leveraging wellness indicators: how small businesses can benefit from measuring wellbeing

Vicki Stylianou, Institute of Public Accountants

In today's competitive business landscape, small businesses face numerous challenges to achieve success. While financial indicators have traditionally been the primary focus for assessing business performance, there is increasing recognition of the importance for using holistic wellbeing frameworks as indicators of success.

What are these indicators, and how can small businesses leverage them for future prosperity? To find out, we can look at various countries and organisations, as well as Australia as an example of what is happening in the Asia-Pacific.

International frameworks of wellbeing

Many stakeholders have recognised the value of measuring progress through wellbeing indicators, and they have developed frameworks to assess the holistic quality of life of their citizens.

One of the more well-known frameworks is the United Nation's 'World Happiness Report', which Finland topped in 2023 for the sixth consecutive year. Its winning formula includes low financial disparity between citizens, healthy life expectancy, social support and generosity, freedom to make life choices, perceptions of corruption, and it believes that happiness is a skill which can be taught.

New Zealand's framework is called the 'Wellbeing Budget', and it prioritizes mental health, child wellbeing, supporting indigenous people, transitioning to a sustainable economy, and building a productive nation.

Bhutan's 'Gross National Happiness' index has nine criteria for measuring happiness, including psychological wellbeing, health, education, cultural diversity, and ecological resilience.

In 2010, the United Kingdom introduced the 'Measuring National Wellbeing' program, which is based on wellbeing across health, relationships, education, environment, and personal finance.

The United States doesn't have a universal wellbeing index, but it does have national health and wellness initiatives, and some states have implemented their own wellbeing initiatives like the 'California Wellness Index.'

The United Arab Emirates has the 'National Program for Happiness and Wellbeing' that includes initiatives like appointing CEOs for happiness and wellbeing for all government bodies; allocating time for happiness-related programs and activities at the federal government level; establishing offices for happiness and wellbeing; and transforming customer service centres into customer happiness centres.

Australia has the 'Treasury Wellbeing Framework' but is currently developing a new 'Measuring What Matters' framework (see below).

The Organization for Economic Cooperation and Development (OECD) has developed a multi-dimensional and comprehensive framework for measuring wellbeing and progress that can be adapted for use in different circumstances and jurisdictions.

However, for many small businesses which are already struggling to apply traditional financial measures, how can they leverage and benefit from adopting these high level wellness measures and indicators to enhance their overall performance, employee engagement, customer satisfaction, and long-term sustainability.

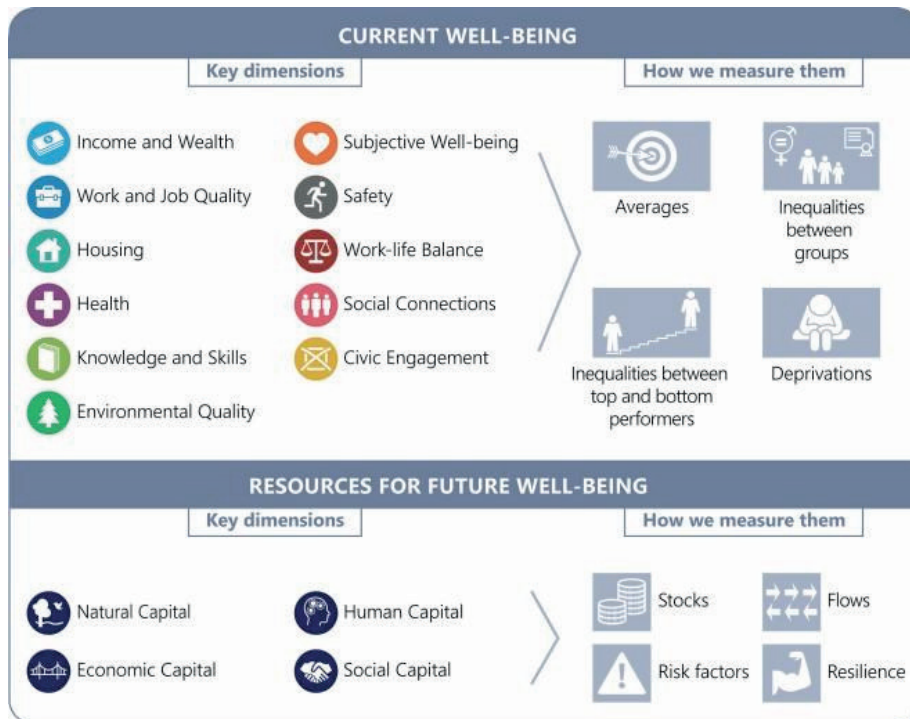
Applying the OECD framework to small business

The OECD framework is a useful place to start. It encompasses material conditions, quality of life, social connections, health, education, and environmental sustainability. By incorporating these indicators into strategic planning, small businesses can gain valuable insights into the overall health and wellbeing of their employees, customers, and communities. These indicators might also assist small businesses to become more resilient when faced by the many challenges posed by the digital age or unexpected events like a global pandemic or a global financial crisis.

Small businesses can assess their own capacity to raise awareness of the framework, start the conversations with stakeholders, consider cultural changes, and celebrate even incremental changes and achievements.

OECD wellbeing framework

(<https://www.oecd.org/wise/measuring-well-being-and-progress.htm>)



More specifically, small businesses can apply the OECD framework in the following manner:

1. **Enhanced employee wellbeing:** small businesses rely heavily on workforce productivity for success, so fostering employee wellbeing is crucial to maintaining a motivated and productive workforce. By utilizing wellness indicators, businesses can identify areas that impact employee wellbeing like work-life balance, job satisfaction, and career development. This understanding allows small businesses to design policies that prioritize employee wellness, leading to higher job satisfaction, lower turnover rates, and increased productivity.
2. **Improving customer satisfaction:** customer satisfaction plays a pivotal role for small business growth, and integrating wellness indicators can improve understanding of customer needs, preferences, and experiences. For example, businesses can collect data on customer satisfaction, loyalty, and overall experience to identify areas for improvement. This information can inform decision-making processes, leading to enhanced customer service, tailored offerings, and improved overall customer satisfaction.
3. **Identifying market opportunities:** wellness indicators provide valuable insights into emerging market trends, and consumer demands. Small businesses can analyse these indicators to identify market gaps, and opportunities for innovation. For example, increasing awareness of environmental sustainability might create a demand for eco-friendly products or services. As such, by aligning offerings with emerging trends, small businesses can position themselves as industry leaders to gain a competitive advantage.



4. Stakeholder and community engagement: small businesses are integral parts of their local communities, and incorporating wellness indicators into business practices can demonstrate commitment to the wellbeing of stakeholders and the community or communities of which they are a part. For example, measuring social impact, community involvement, and sustainability efforts can enhance business reputation, attract socially conscious customers, and build stronger relationships with local stakeholders, including government organizations, not-for-profits, and potential business partners.
5. Long-term sustainability and resilience: sustainable growth and resilience are key objectives for small businesses. By utilizing wellness indicators, they can assess their environmental impact, resource efficiency, and social responsibility. This enables small businesses to identify areas for improvement and implement sustainable practices. Further, measuring progress towards organisational sustainability goals can help track performance over time, which helps create trust among stakeholders.
6. Access to funding and investment: small businesses often face challenges to securing funding or attracting investors. By integrating wellness indicators into their reporting frameworks, businesses can provide investors with a comprehensive view of their potential performance. This can enhance business credibility, attract socially responsible investors, and demonstrate a commitment to long-term sustainable growth. Additionally, businesses that align with the values of the OECD framework may have increased opportunities to access grants, loans, and other financial resources specifically earmarked for promoting sustainable development and wellbeing initiatives.

Australia's wellbeing framework

In Australia, wellness frameworks have progressed over the last couple of years culminating in a new standalone 'Measuring What Matters Statement' which is being promoted by the federal Government. (www.treasury.gov.au)

The Statement will be Australia's first national wellbeing framework, and it will be used to assess Australia's progress towards creating more opportunities for more Australians across the country. Like many other indicators, the Statement will enable more accurate assessment of progress across a range of social and environmental indicators in conjunction with traditional measures of economic strength.

This will provide a more comprehensive picture of whether policies are working, and support more informed discussion about what needs to be done to improve the lives of all Australians. Importantly, it can be used to develop economic, social, and environmental policy that adjusts to the needs of small businesses.

Part of this process has been to review the international approaches to measuring progress, and a comparison of Australia's performance against the OECD wellbeing framework. While Australia has previously been an international leader for incorporating alternative measures of progress, until the Statement is implemented, there is no integrated approach for measuring what matters.

Key lessons from international consultations suggest that the most useful policy themes should be easy to understand, measurable, reliable, and timely. Focusing on a small number of themes as indicators can help make the framework easier to understand, and more effective in guiding the decision-making process.

The new Australian framework focuses on five major themes: prosperity, inclusiveness, sustainability, cohesiveness, and health. The first theme may be of more interest to small businesses, and in particular we note the indicator around opportunities for innovation and entrepreneurs. The theme and indicators are:

Prosperous: A growing, productive and resilient economy

- An economy that provides opportunities for all Australians.
- An economy that is more resilient and less vulnerable to shocks.
- People are financially secure.
- People have access to education, knowledge and training so they have the skills to fully participate in society and the economy throughout their life.
- People have access to necessary services and amenities.
- A sustainable budget that can continue to deliver the services Australians rely on and can buffer the economy against future shocks.
- A dynamic economy, which encourages and offers opportunities for innovation and entrepreneurship.
- An economy that seizes the opportunities from the net zero transition and digitisation.

Conclusion

Incorporating wellness frameworks like the OECD Framework for Measuring Wellbeing and Progress can bring numerous benefits to small businesses. By focusing on employee engagement, customer satisfaction, market opportunities, stakeholder engagement, sustainability, and access to finance, small businesses can enhance their overall performance, foster a productive work environment, gain loyal customers, and contribute to the wellbeing of their communities. By adopting a holistic approach that goes beyond financial indicators, small businesses can pave the way for long-term success through sustainable growth.

Dreaming the Future: A Symphony of Empathy and Entrepreneurship in the Dawn of the Neo-Renaissance

Dr. Kichan Kim, Professor of Management at the Catholic University of Korea

Ayman ElTarabishy, Deputy Chair, Department of Management, GW School of Business

Much like the central character in Paulo Coelho's renowned novel 'The Alchemist,' South Korea embarked on a transformative journey before the 1960s. A monumental shift in mindset, termed K-Entrepreneurship, was the alchemical ingredient that turned the ordinary into the extraordinary. This entrepreneurial spirit precipitated a cascade of changes—job creation, cultural evolution, and societal reconstruction—effectively turning the leaden reality into golden opportunities.

The compound term 'Entrepreneurship' merges 'Entrepreneur' and 'ship.' 'Ship' originates from Middle English 'shapen,' meaning to mold or shape, highlighting the significance of forming a mindset. This mindset fuels action, generates culture, and ultimately shapes civilization. 'Entrepreneur,' from the French 'entrepreneur,' implies undertaking or initiating something novel, often a business.

In the alchemical process of entrepreneurship, philosophy acts as the philosopher's stone, transforming actions into gold. Actions lacking philosophy are mere tools, while philosophy without action is ineffectual. Thus, philosophy or thought is the crucible in which culture is formed.

In this post-pandemic era, akin to the beginning of a Neo-Renaissance, we are beckoned to embrace a new form of entrepreneurship—centered on people and exudes humaneness. In our ever-increasing high-tech world, the answer lies in a high-touch approach.

As we progress towards this new age, the role of Micro, Small, and Medium Enterprises (MSMEs) comes to the fore. In the theme of MSMEs Day 2023, we focus on ‘Youth and Women Entrepreneurship and Improving Supply Chains.’ The lens is not only on fostering entrepreneurship but ensuring it thrives in various areas, such as supply chain improvement.

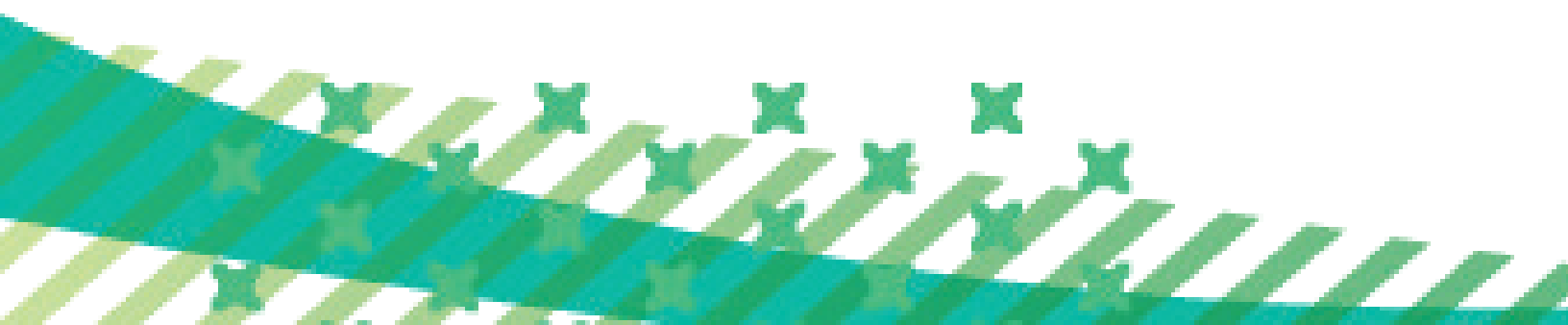
We stand on the threshold of a Neo-Renaissance period, necessitating a rebirth of humanism. The spirit of this Renaissance hinges on empathy, empowerment, and engagement, transforming the controlling bureaucracy into a ‘humanocracy’ that empathizes with people. The organization needs a ‘rebuilding’ metamorphosis, evolving into a people-focused entity.

In the journey of empathizing, we learn to understand each other deeply. As the tale of the Little Prince illuminates, the most challenging endeavor is to win one’s heart—a feat accomplished by investing time and genuine connection, accentuating people’s importance. Jim Collins says, ‘Spend 50% of your time on people.’ This period is for empathizing.

Just as the alchemist was a visionary, entrepreneurs must be visionary thinkers capable of empathizing and influencing others. They should inspire stakeholders with their vision and dreams. People-centered entrepreneurs should imagine a better future and empathize with their employees by posing thoughtful questions. A transformation in employees’ thoughts invariably leads to a shift in organizational culture.

In the alchemical process of cultivating humane entrepreneurship, humane entrepreneurs support MSMEs, embodying the principles of the alchemist in creating gold from lead. Nurturing disciples who share their philosophy catalyzes an environment where ordinary people can do extraordinary things. Like alchemy, great enterprises transform their followers through discipline and shape them, prioritizing culture over strategy because culture ultimately catalyzes impact.

In the spirit of the theme of MSMEs Day 2023, let us remember the transformative potential within each of us; as Paulo Coelho eloquently states in *The Alchemist*, “When we strive to become better than we are, everything around us becomes better, too.”

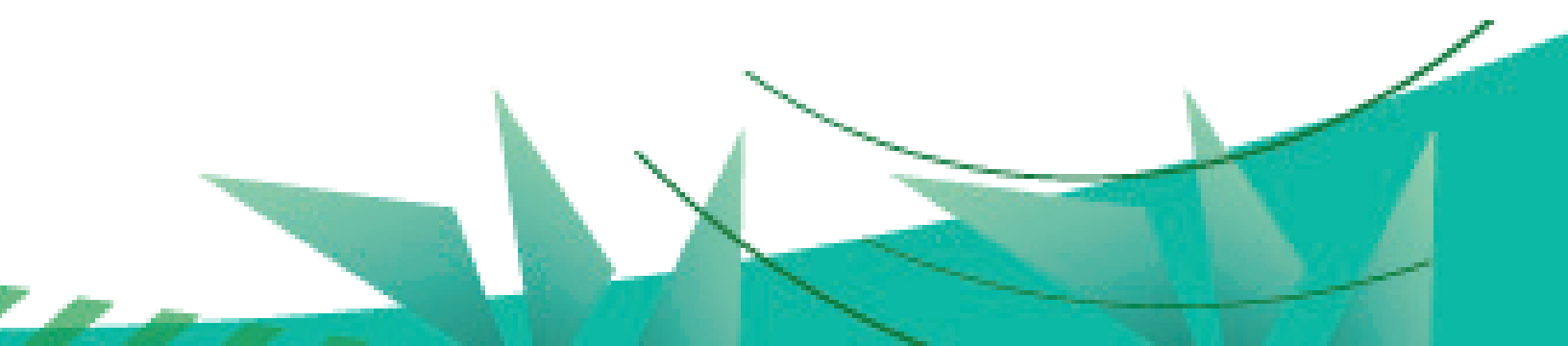


This vision encapsulates the essence of the journey towards empathetic human entrepreneurship in the Neo-Renaissance era, inspiring us all to aim for the extraordinary. In summary, As we move forward on this shared journey, I am reminded of the wisdom penned by Paulo Coelho in his beloved novel, 'The Alchemist.' Coelho writes, "When we strive to become better than we are, everything around us becomes better, too." This resonates with our collective aim for MSMEs, mirroring the conscious efforts to inspire innovation, foster empathy, and encourage entrepreneurship that supports and uplifts all involved.

In Florence, the city where the Renaissance was birthed, the Medici family understood the importance of investing in artists, creators, and innovators – much like our modern MSMEs. They became the patrons of a whole generation of luminaries and, in doing so, sparked a period of explosive creativity and humanistic exploration. We must draw upon this inspiration as we foster our MSMEs - supporting them as the 'artists' of our new economic and societal Renaissance, the forerunners of change and progress.

MSMEs are our modern-day artists, innovators, and visionaries, the heart of our economies, the soul of our communities, and the fuel of our global growth. As we venture into the future, let's remember their indispensable role, especially in times of crisis. Let's channel our efforts and resources to help them grow, innovate, and succeed. And in doing so, we will not just be supporting enterprises; we will be sculpting the future, crafting a new inclusive, resilient, and humane world.

As we dream and toil together for a better tomorrow, let's echo the timeless wisdom of 'The Alchemist,' "And, when you want something, all the universe conspires in helping you to achieve it." So, let us want, work, and watch as the universe conspires to help us achieve a thriving future of empathetic human entrepreneurship in this exciting new era of the Neo-Renaissance.





Case of study: Localizing the SDGs in a Business Accelerator

Prof. María Fernanda Andrés (Universidad Nacional del Litoral and Business Director of Litoral Accelerator)
Prof. Analia Lourdes Pastran (Founder of Smartly Social Enterprise on the SDGs and Co-Chair of UN Habitat-World Urban Campaign)

Introduction

The Sustainable Development Goals of the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly in 2015, and the Paris Agreement on Climate Change are two important guides of action to intervene at the local level. The big question is how to implement those global goals at the local scale and specifically in an University Accelerator.

How local and scientific projects could contribute globally? In which way the SDGs could help management be profitable and resilient? How ventures and businesses with high technological and environmental impact could scale their communication to get more funds?

This document addresses the way in which Aceleradora Litoral, a university accelerator that is part of the Argentine entrepreneurial ecosystem, integrates the 2030 Sustainable Development Goals (SDGs) both for itself and for the companies and projects that are evaluated and funded. The support and advice carried out by Smartly, Social Entrepreneurship in SDGs during 2020 and the main adjustments and results obtained are described from a strategic point of view and at a communication level.

The full version of this case will be published in July in: Universities, Circular Economy and the SDGs in the ALCUE bi-regional space, editorial of RedUE, FAEDPYME and UDUALC.

SDG 17: Partnerships for the Goals

Aceleradora Litoral (A.L.) was founded by Universidad Nacional del Litoral, Parque Tecnológico del Litoral Centro and the Santa Fe Stock Exchange, configuring a unique experience of its kind in Argentina. It is a scientific-technological business accelerator, whose mission is to fast-track the growth and consolidation process in the market of companies based on scientific knowledge by providing capital, advice, tutoring, consulting services and access to an extensive network of contacts, ensuring the protection and transfer of the intellectual property of these developments.

Smartly, Social Entrepreneurship on the SDGs, is an internationally awarded social enterprise that leads the Localization and Communication of the SDGs within the public, private and academic sectors in Latin America and globally. It's also a partner and member of the Steering Committee of the UN Habitat World Urban Campaign.

During this work Litoral Accelerator and Smartly are trying to showcase their partnership experience to localize the SDGs in an University Accelerator. In that sense, the opportunity arises to establish dialogues and open spaces for collaboration between multiple stakeholders of the local, regional and international level that contribute to the fulfillment of the Sustainable Development Goals (SDGs) for the year 2030.

Challenges

When the location of the SDGs is postulated by Smartly, a dynamic process focused on reorienting priorities based on a greater understanding of what the SDGs are and marking a path so that organizations, in this case A.L., could reflect from an organizational perspective, while drawing a transition process that would allow them to be part of a local, regional and global agenda. The UNDP¹ SDG Impact Standards serve as a practical tool to drive investment in critical areas, taking action to try to address growing inequalities.

The challenge posed by Smartly is to generate the conditions so that the role of companies and investments in society have an impact at the center of each decision regarding consumption, employment, business and investment.

The innovation path

While working together, Smartly and the Accelerator team, reflections raised about the reason for being of the organization and the SDGs, in aspects such as:

- Public access to information and communication.
- SDGs and their presence in written language and reflected in verballity and actions.
- SDGs and their relationship with the business ideas promoted and their effective contribution.

This exchange of ideas between Smartly and A.L. allowed, in practice, to carry out an effective localization exercise in SDGs with scaling, which is detailed below:

- A.L. is inspired by SDG 17 Multi-stakeholder partnerships:
 - **17.16** Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.
 - **17.7** promote development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favorable terms, including on concessional and preferential terms, as mutually agreed.
 - **17.17** encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.

- A.L. strongly contributes to SDG 16 Peace Justice and Strong Institutions:
 - **16.6** develop effective, accountable and transparent institutions at all levels.
- A.L. finds its significant goal in SDG 9 Industry Innovation and Infrastructure:
 - **9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

- A.L. promotes and contributes to SDG 8 Decent work and economic growth:
 - **8.2** achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.

- A.L. strongly contributes to SDG 5 Gender equality:
 - **5.b** Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.,

- A.L. reinforces and prioritizes SDG 4 Quality Education:
 - **4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

- In the context of Climate Change and the post-pandemic, it is necessary to strengthen the efforts on SDG 10, Reduction of inequalities and in this sense, A.L. can generate a greater local impact:
 - **10.b** Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes

Innovation strategy

The adjustment of the evaluation criteria to the projects that apply to the accelerator, the adaptation of the website, and the presentation before different Investment Funds (such as the IDB) is the result of a year of joint work between A.L. and Smartly.

In order to consider the evaluation criteria of A.L., those who apply to the accelerator must be Startups or Sustainable Technology-Based Companies, of up to 5 years, based on scientific knowledge and clean technologies that work on the Sustainable Development Goals - SDG 2030. Likewise, they must be in any of these areas: Biotechnology, life sciences, human health, animal health, environment, agribusiness and agro-ecology, fine chemicals, food technology, IoT, nanotechnology and engineering.

1. *Business model*: Scalable and potentially global. Global market size (TAM) greater than 500 million dollars, in general and with few exceptions. This condition allows the adequate development of this type of business.
2. *Sustainable Development Goals (SDG)*: The startup must contribute to at least one SDG and demonstrate how it impacts or locates the SDGs in the proposal and development of the presented project.
3. *Application methodology*: To be eligible for the Accelerator, the startup must have a functional prototype, plus received investment or financing, certifications, leads or demonstrable potential clients.
4. *Value proposition*: Business model that generates value from clean technologies and that contributes to providing solutions for social, environmental and economic challenges. Identification of the problem that it solves and potential business impact.
5. *Multidisciplinary team*: Profiles of various disciplines and knowledge. At least one team member dedicated exclusively to the new venture.
6. *Technological Level*: Technical checks that exceed the laboratory results. For example: MVP (minimum viable product) achieved, customer development in progress, etc.
7. *Competitive Advantage*: The intellectual property strategy must be foreseen and it must be possible, that is, if it is not yet protected, it must be possible to do so, or replace it with another condition that generates a competitive differential (entry barriers).

Each of these evaluation and prioritization criteria will be weighted by the management team and expert consultants, to be later validated by the Investment Advisory Committee.

The Aceleradora Litoral website displays each one of the companies in the portfolio with the location of the SDGs to which they contribute. <http://www.aceleradoralitoral.com.ar/>

Results

Two analyzes were carried out, one of a qualitative nature, through in-depth interviews with the manager of Aceleradora Litoral and with one of its external advisors. On the other hand, a brief quantitative questionnaire for the companies was deployed, analyzed by A.L. with the support of Smartly, from 2020 to these days.

Qualitatively, the results obtained can be seen reflected in the words of Daniel Scacchi, Manager of Aceleradora Litoral and Marcelo Grabois, External Advisor in Strategic Intelligence and Intellectual Property, of ITERA Technological Intelligence.

In the words of Daniel Scacchi: From the moment of the creation of Aceleradora Litoral, the SDGs were implicit in it since its conception. In recent months of work and interaction with different actors of the entrepreneurial ecosystem, it has been seen that the central axis of project treatment is given in terms of SDGs and living up to the circumstances. Understanding the importance of the contribution to compliance with them and its incorporation at a personal and group level.

In the words of Marcelo Grabois: I have been able to appreciate how A.L. has evolved since its creation. The evolution of shared visions has made it possible to build bonds of trust and affection between the members and towards the environment, and the actors of the entrepreneurial ecosystem.

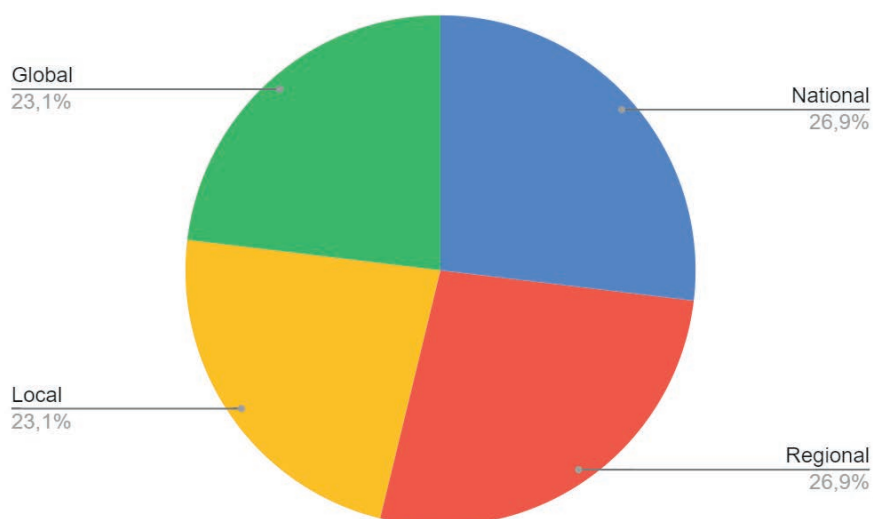
As of 2020, all the projects that were analyzed by A.L. with the guidance of Smartly, had to identify, according to the sector and business model of each of them, in which objectives and goals they have the capacity to influence and develop activities and operations to contribute to sustainable development, locally and internationally.

Quantitatively, a brief survey was carried out on the projects -analyzed by Aceleradora Litoral, supervised by Smartly- and they worked with the SDGs.

It has been observed that 92,3% of the projects have deepened the analysis of how they could contribute to compliance with the SDGs based on what is required by Aceleradora Litoral with the guidance of Smartly.

On the other hand, the solutions provided by the surveyed projects impact geographically as follows:

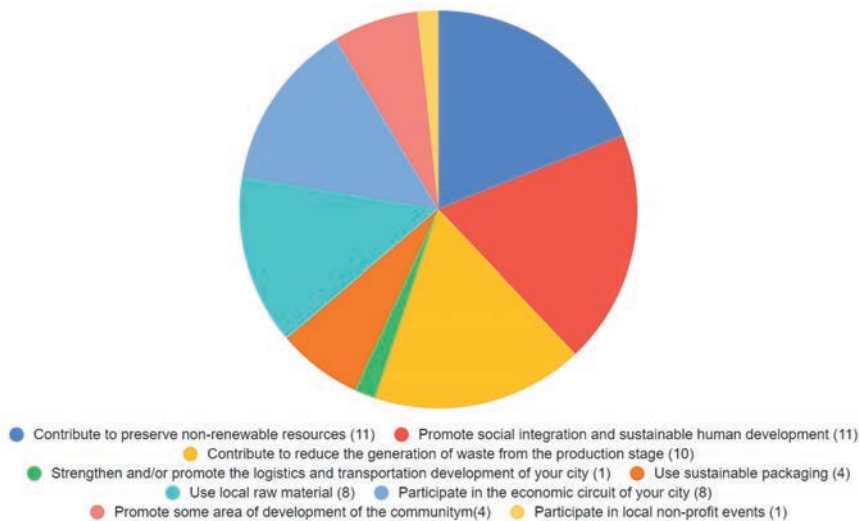
Graphic N 1. Geographical impact of the solutions provided by the surveyed projects



It should be noted that the different projects surveyed make contributions to the SDGs through the following actions:

- Contribute to preserve non-renewable resources;
- Promote social integration and sustainable human development;
- Contribute to reduce the generation of waste from the production stage;
- Strengthen and/or promote the logistics and transportation development of your city;
- Use sustainable packaging;
- Use local raw material;
- Participate in the economic circuit of your city;
- Promote some area of development of the community;
- Participate in local non-profit events.

Actions that contribute to the SDGs of the surveyed projects



Learned lessons

It is important to highlight the commitment of the management of Aceleradora Litoral which together with their team was involved from the outset in training and advising on SDGs led by Smartly. Each area of the Accelerator was present at the meetings and actively engaged in the different topics that were addressed by Smartly. This strategic decision of A.L. to involve the entire team and to make them part of the SDG training process provided by Smartly was key for the commitment and involvement to be consolidated in the organizational culture, as well as, in the interactions with their deal flow.

Transforming management processes into more sustainable models that put people, the environment, and economic growth at the center of the scene is one of the biggest challenges in face of the climate change crisis and post-COVID-19. In that sense, the projects of interest to A.L. are usually led by members of the scientific community and although there is a new paradigm of science for the development of sustainability, it must be reorganized and focused in terms of the SDGs. This takes time of work and training.

On the other hand, the interest shown by those who led these projects leaves the door open to a huge challenge: generating strategies to translate knowledge into concrete solutions, which contribute to the fulfillment of the 2030 SDGs. This fact pointed out by Smartly, also leads the resources of public and private investments to the type of projects of interest, contributing to the growth of markets and the supply of technologies and concrete solutions, resulting in a beneficial situation for the scientific community and society as a whole.

The entrepreneurial ecosystem is becoming aware of the SDGs and their application within new ventures. For many, the term SDGs brings to mind environmental issues like climate change and resource scarcity. These are important elements of the SDGs, but they encompass much more. They cover social issues such as a company's employment practices, product and data security, and issues such as diversity, compensation and business ethics.

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Endnotes

1 The SDG Impact Standards -proposed by Smartly- are practical standards, revolving around internal decision-making, designed to transform the way companies and investors think about value creation, and integrate impact management and contribution positively to the SDGs in its strategy, management approach, disclosure and governance practices.



The Innovation Capability of SMEs and Empowering Leadership


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Introduction

SMEs are essential in every economy, in high-income, middle, and low-income economies. There are numerous SMEs in most places, but the real issue is their social, economic, and engagement impact. It takes an entrepreneurial revolution to achieve and implement a positive social and environmental impact through SMEs. Hence, SMEs' innovation capability is crucial for business and society. This is especially true for the role of sustainable business models that foster whole markets capable of deploying the UN's 17 SDGs.

Most SMEs are doing R&D, and they do it well. However, nearly all R&D is in-house, and SMEs are reluctant to use open-innovation concepts. If these SMEs could be encouraged not to keep innovation within their confines but to share it and make its development openly accessible, their ideas and competencies would be complemented with innovative ideas and competencies from external sources.

More specifically, SMEs often do not have the resources and the competence to manage sustainability; however, this competence could be brought in from outside and substantially enrich the innovation process. However, the big question is, what should the SME do **better** to foster innovation capability and simultaneously help establish sustainability models for their markets?

An abstract graphic on the left side of the page. It features several teal-colored triangles of various sizes and orientations. Some triangles are solid, while others are outlined. There are also white arrows pointing in different directions, some overlapping the triangles. The background of the graphic is white with faint, curved lines suggesting motion or flow.

Firstly, more investment in scalable business models with a long-term perspective is crucial. Innovative business models are a first step, but from a long-term perspective, this means the switch to business models with scaling perspectives. Secondly, to be the backbone for stability in a regional ecosystem and for society, such business models should, optimally, always be related to sustainability. This has the potential to foster decentralized regional sub-hubs in national ecosystems. This would comply with sustainability ideas established to make a difference by investing in regional ecosystems.

Thirdly, the young generation - particularly ambitious young talents - now play a vital role. SMEs can and must be mobilized by such young talents because they can drive sustainability and prosperity. However, the interrelation between young talents and SMEs needs to be addressed, even though SMEs could be a playground for young talents to collect managerial and entrepreneurial experience or to help them see SMEs as a future career step. Instead, unfortunately, we invest too much in start-ups and the relationship between big companies and start-ups concerning technology scanning and innovation processes, and we do not focus enough on how SMEs could profit/benefit from the young talents – and vice versa – in fostering their innovation process.

Therefore, young talents can foster SMEs' innovation management capability. In this context, the vision and leadership styles of entrepreneurs, CEOs, decision-makers in public organizations, and board members are essential. In addition, the younger – purpose-driven - generation sees their investment decisions as a way to express their social, political, and environmental values.

Leadership Behavior and Innovation

Product developments and product innovations characterize success in innovation, as scientific studies prove, and are significantly dependent on leadership in the innovation units of the companies (Junquera & delBrío, 2017; Paulsen et al., 2013; Stoker et al., 2001; Zuraik & Kelly, 2019). Unfortunately, research only marginally addresses how leaders should behave effectively in innovation and how they can influence the success of development processes. But what is meant by success in the field of innovation? The development or improvement of new or existing products usually has two characteristics: On the one hand, these are business indicators, such as market share gained, return on investment, commercial success, adherence to the project budget and time, technical performance, or the quality of the new products (Ahmad et al., 2013). These factors can be summarized with the collective term "product development success". The second perspective of innovation success is product innovation. This is characterized by the innovative strength of the products, the number of innovations or new ideas, the effect on the brand, and the novelty of the products on the market (Lovelace et al., 2001).

Success in the field of innovation is dependent on leadership. Leadership can be defined as an interpersonal process of influence (Yukl & Gardner, 2020). In concrete terms, different leadership behaviors can be distinguished according to the degree of employee participation, interaction frequency, or interaction quality. The full-range leadership model has become increasingly popular in recent years in leadership research (Avolio, 2011;

Bass & Riggio, 2006). This places the leader at the center of the interpersonal influence process and is thus a leadership approach that largely ignores the led and can be described as a heroic perspective (Bass, 1999; Furtner & Baldegger, 2013). Full-range leadership distinguishes between three successive forms of leadership: passive-avoidant, transactional, and transformational. Empowering Leadership supplements Full Range Leadership with the post-heroic perspective. This means the focus is no longer on the leader but on the employee.



Empowering Leadership, as the development of leadership styles from a leader-centric approach to shared leadership, is a conceptually comprehensive construct. It is not just about participation in decision-making but allows leaders or groups to operate autonomously and contribute to realizing the organization's long-term vision. In addition to conceptual differences, Empowering Leadership measurement tools often include subscales on participatory decision-making that clarify that participatory decision-making should be understood as a facet of overarching Empowering Leadership.

For some, it means group decision-making. For others, it means agreed-upon goal setting; for a third group, it means more listening and less talking. Instead of being vague, one can also assume a broad concept that incorporates different levels of participation in decision-making. The fundamental question is whether and to what extent to involve leaders in decision-making.

The lofty goal of Empowering Leadership requires a challenging development process. As the first step, a switch must occur in the mindset of leaders, spilling over from controlling leadership processes to "letting go." Leaders must increasingly moderate, delegate, or give employees broad structural autonomy. A participative decision-making style and participative leadership behavior are learning areas for venturing into Empowering Leadership in the next step. A whole series of additional prerequisites must be in place for this development.

Power-sharing or distributed leadership must be practiced at several levels of the organization, structural autonomy must be linked to the organization's vision, those being led must accept the increasing autonomy, and leaders must support the development of those shown through role models and coaching. The last prerequisite is intended to remind us of the vision of "Self-Leadership and Leadership": leaders and employees develop their self-leadership skills in a collaborative learning process to successfully manage the switch from "Having Control" to "Letting Go."

Antecedents of Empowering Leadership

Empowering Leadership can only be effective if several antecedents are in place. The most crucial antecedent is the organizational context. Empowering Leadership is particularly suitable for promoting creativity, innovation, and top performance. For example, in research

and development departments, Schröder and Baldegger (2020) tested the influence of Empowering Leadership on innovation success in teams of 116 managers and 371 leaders. In addition, organizational contextual effects, such as the strategic and cultural orientation of the organization, were considered.

The results show that Empowering Leadership positively affects innovation and new product development. Remarkably, the organization's strategic (high innovation focus) and cultural orientation (e.g., taking risks, trying new things) interact with Empowering Leadership to affect new product development positively. This means that the strategic and cultural orientation of the organization in interaction with Empowering Leadership positively affects innovation performance.

In exploring Empowering Leadership, Wong and Giessner (2021) point to the danger that it is only a fine line that divides **laissez-faire** and Empowering Leadership. If Empowering Leadership behaviors are not aligned with the expectations of those being led (too high or too low), they may increasingly attribute laissez-faire behaviors to their leader. The leaders use their empowerment expectations to evaluate the Empowering Leadership of their leader. If their empowerment expectations are not met (too high or too low), they attribute laissez-faire leadership behavior to their leader. Consequently, leaders should pay more attention to the empowerment expectations of their leaders, as excessive use or lack of empowering leadership can be detrimental.

Discussion, contribution, limitations, and future research

Empowering Leadership shows its strengths, particularly at the level of team effectiveness. By granting a high degree of autonomy and promoting the self-development of those led, shared leadership represents a direct logical consequence of Empowering Leadership (Furtner et al., 2013): **Shared Leadership** in teams can thus be seen as a result of Empowering Leadership (Fausing et al., 2015; Hoch, 2013). While Empowering Leadership empowers the employee to participate in problem-solving and decision-making and shifts the focus away from the leaders to the employees, the starting point remains with the leaders as they encourage and empower the employees to share leadership responsibilities (Yukl & Gardner, 2020).

Pearce & Sims (2002) argue in the context of shared leadership that leadership emergence can also emerge from the group context. The focus is now on something other than making individual leaders more effective. Instead, shared leadership is a leadership behavior in which the actions of individuals are less important than the collective leadership provided by many different members of the organization, who may be leaders or non-leaders.

Specifically, a distinction is made between Empowering Leadership initiated by leaders and Empowering Leadership emerging from the group (Cheong et al., 2019). Ensley et al. (2006) refer to the former as Vertical Empowering Leadership and the latter as Shared (Empowering) Leadership. Shared leadership involves a process in which all team members participate fully in leading the team (Pearce & Manz, 2005; Pearce et al., 2008). It is an ongoing mutual influence process, formally defined, with informal leaders shaping the leadership process (Pearce & Conger, 2003). This is accomplished by the formally defined leader taking a step back, demonstrating Empowering Leadership, and thus integrating himself or herself into the shared leadership process.

Leaders should understand that shared leadership has various positive effects on a group; shared leadership also shows positive relationships with innovation and high psychological empowerment (as an intrinsic factor) and equitable reward (as an extrinsic factor). Under specific situational conditions (e.g., high empowerment, high development, and innovation needs), shared leadership is more effective than traditional vertical leadership (Pearce & Sims, 2002; Pearce et al., 2004). Hoch and Kozlowski (2014) proved in an empirical study that shared leadership is superior to classic vertical (hierarchical) leadership, especially in virtual teams. According to Hoch et al. (2010), shared leadership predicts team performance when age diversity and coordination efforts regarding handling individual expertise in groups are relatively low. Ensley et al. (2006) reviewed the impact on vertical versus shared leadership performance of the respective top management team in young and fast-growing startup companies. The results prove that shared leadership contributes solidly to entrepreneurial performance beyond the effects of vertical leadership.

According to Manz et al. (2015), shared leadership and self-leadership are two significant constructs for strengthening sustainability in dealing with customers (focus on customer needs) and reducing customer-related costs. In addition, the authors assume that shared leadership and self-leadership can increase service personnel's motivation and overall work effort.

Hence, adapting empowering leadership in SMEs fosters employee commitment - especially among young talents - and motivates open-innovation principles and thinking outside the box, and fosters sustainability (Pearce et al. 2013). The moderating effect of the corporate culture is essential in relation to the company's leadership style. The illustration of Cameron & Quinn (2008) with clan-, hierarchy, market, and adhocracy culture helps us to understand the effect. Recent (unpublished) research in Switzerland (Baldegger & Zurkinden, 2023) showed a strong interrelation between Empowering Leadership and clan culture for innovative SMEs. Hence, the innovation capabilities of SMEs and related leadership behavior and the study of moderating effect are of high interest in the future.

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Advancing Humanity and Peace through Entrepreneurship: the rehabilitation of ex offenders.

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Introduction.

According to Koltai (2016) it is joblessness, not religious or cultural conflict, that is the root cause of the unrest that threatens global security. Though this may be contested, Rupperecht (2019) reports that during the Geneva Peace Week it was concluded that sustainable peace needs a “*stable economic climate that can simultaneously prevent the outbreak of violent conflict and proactively foster peaceful societies*”. She also reported that job creation is the best antidote to war, that employment improves integration and gives people dignity. Under such circumstances entrepreneurship may be

seen to be capable of contributing to peace through, in particular, its ability to create jobs (Birch (1979). Accordingly, in many economies, entrepreneurship and self-employment have now become the alternative to unemployment. However, criminality remains and with it a threat to peace and security. Many prison inmates have difficulty securing employment on release, however, and recidivism (reoffending) is frequently high, as much as 50% in the USA and 62.7 % in the UK, thus threatening peace and security.

Accordingly, prison systems have begun to introduce new venture creation

programmes and in Germany such a programme is reported to have reduced recidivism from 46 to 11 per cent, while in the UK, a programme developed by the Centre for Entrepreneurs in London has reduced the level of repeat offending from 62.7% to 14%. Such programmes are clearly positively impacting SDG 16 (Peace, Justice and Strong Institutions) as are private sector entrepreneurial ventures that are beginning to emerge with the specific intention of reducing reoffending and making society safer.

Under such circumstances entrepreneurship education may be seen to be contributing to peace not just through the creation of jobs but by addressing such interconnected contributory factors as health, inequality, poverty etc.

Aims and Methodology

The aim of this study is to demonstrate how entrepreneurship can advance humanity and peace through the rehabilitation of ex-offenders. It does so via an inductive investigation based on a series of cases derived from secondary data. Each case is taken from the UK where the importance of SDG 16 (the Promotion of Peaceful and Inclusive Societies for Sustainable Development) is often either taken for granted or unrecognised and ongoing criminality is the cause of considerable and increasing unrest.

Cases

According to the Numbeo Crime Index the UK index figure for 2023 is 46.9 placing the country 65th in the world for crime. By comparison the USA has an index of 49.0 putting it in 55th place while France is in 36th place with an index of 55.3. In total the UK prison population in February 2023

was 83,687, costing the U.K. taxpayer some £5.4 billion per annum. On release 48 per cent of ex offenders re-offend within 12 months, the average reoffending rate being 29 per cent, costing an estimated £18.1 billion annually. Many offenders have failed to obtain minimum standards of education and on average 62 per cent of those entering prison have the literacy skills of an 11 year old person, compared with 15 per cent in the general adult population.

Against this background, private sector U.K. entrepreneurs have begun to recognise the failure of the state to address the problems of crime, recidivism, safety and peace and have seen the opportunity to help rectify the situation as the following cases demonstrate.

Offploy CIC is a Community Interest Company (CIC). It was set up in 2016 by 24 year old Jacob Hill, an award winning serial entrepreneur and ex-offender. He realised that *“Ex-offenders need coaching to help them find jobs and employers need guidance in what is uncharted territory for most of them”*. It does this by taking candidates through a 9 phase preparatory process, three phases of which are to do with education.. It does this by taking candidates through a 9 phase preparatory process, three phases of which are to do with education. By April, 2023 Offploy had supported 2931 candidates, and a further 160 people were being supported not just in Yorkshire but throughout the U.K. . To reduce the pressure on its staff, in March 2023 it invested in a Conga solutions software system to enable the staff to spend less time on paperwork and more time on helping people. As a result the amount of paperwork has been reduced by 80%.

As a sustainable business it addresses SDG 16 (Peace, Justice and Strong Institutions), together with 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reduced Inequalities), 12 (Sustainable Cities and Communities), and 17 (Partnerships for the Goals)

XO Bikes is not a business with a purpose it is a purpose with businesses. Its purpose is, like that of *Offploy*, to break the cycle of re-offending, by training people to repair and maintain bicycles and then employing them as full time mechanics, refurbishing donated bikes. *XO Bikes* also works with the Bicycle Association to find opportunities in the industry for those it is unable to employ. It is the brainchild of Stef Jones who spent 30 years in advertising after leaving university. Stef's motivation stems from his faith and his experience as a volunteer business mentor in HMP Brixton in London. Here he discovered, in his words, that most prisoners *"aren't bad people, they've just done some bad things. But haven't we all?"* Having completed a successful proof of concept in June 2022, *XO Bikes* intends to train 400 new mechanics every year, and to employ 150 of them within 5 years.

It is a circular economy sustainable enterprise that addresses, directly, SDG16 (Peace, Justice and Strong Institutions) as well as 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities), 1 (No Poverty), 11(Sustainable Cities and Communities) and 12 (Responsible Consumption and Production) together with and 17 (Partnerships for the Goals). Indirectly, also, it contributes to SDGs 3 (Good Health and Well-being), 13 (Climate Action), and 15 (Life on Land).

Tap Social is an Oxford located craft brewery with a mission to employ people in or after prison and to get everyone else to do the same. It was founded in July 2016 by Paul Humpherson, a lawyer then 30 years of age and sisters Amy Taylor (29) a Civil Servant and Hannah (Jess) Taylor (25) who had worked in the craft beer hospitality sector. All three have experience of the criminal justice system and were aware of the difficulty ex-offenders face on leaving prison. The three are passionate about social justice and wanted to create a venture which would provide new opportunities for both offenders and ex offenders. As a result by 2022, they had created over 60,000 hours of employment, had reached over 500 people and were employing, directly, more than 40 ex-offenders in permanent roles. While the national reoffending rate is 50 per cent, theirs is only 6 per cent and 94% of those they help find employment are still in work 1 year after release.

It is very much a for-profit enterprise that addresses both humane and environmental issues, particularly SDGs16 (Peace, Justice and Strong Institutions), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reduced Inequalities), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production), 13 (Climate Action), and 17 (Partnerships for the Goals).

Discussion

All three cases exemplify how entrepreneurship may address both humanity and peace. They each deal with the same problem, criminality and recidivism, and do so by enabling ex-offenders to find employment, though they each deal with it differently. They are commercial ventures that are based on generating profit through their trading activities. Unlike traditional entrepreneurship, though, their responsibility is not to their shareholders and to *“making as much money as possible”* (Friedman, 1970), but to society and the people they are intending to help. While only Tap Social concerns itself directly with the environment and addressing the sustainability challenges facing the planet including advancing humanity and peace (SDG 16), the other two cases indirectly address an aspect of the challenge. XO bikes is encouraging the use of bicycles, thereby improving health and reducing the use of the motorised transport that generates traffic congestion and atmospheric pollution, while Offploy’s reduction in the use of paper helps reduce deforestation, energy consumption, climate change emissions, and water usage. This occurs because, as has been observed elsewhere (Kirby and El-Kaffass, 2021), the planet is a system composed of three interconnected economic, environmental and people orientated sub-systems. In accordance with General Systems theory (Von Bertalanffy, 1953) changes to one subsystem bring about changes in the other connected subsystems. Reducing crime and recidivism will not just promote peace but will save money and will have a positive impact on the environment. However, while this may alleviate some of the stress on the ecosystem, there is a distinct probability that unless direct action is taken to address the global sustainability challenge, humanity and peace will be further threatened as the physical and man-made ecosystems continue to disintegrate.

Additionally, while the three cases address the issue of unemployment, it can be argued that they are actually dealing with the symptoms rather than the cause of criminality. In April 2023 a serving UK police officer questioned whether police forces and senior officers *“realise that untreated ADHD is driving crime”*. He suggested that *“lack of diagnosis and a criminal justice system that doesn’t spot ADHD leads to a lifetime of crime”* and argued that *“We need to get this right, for those with ADHD and to reduce crime”*.

Thus, it seems that in the UK prison system at least the links between ADHD and Crime have not been widely recognised though they have been researched for some time (Pratt et.al, 2002; Young, 2007) and in November 2021 a policy round table discussion was held to consider the challenges facing prisoners with ADHD (Takeda, 2022). In contrast, the links between entrepreneurship and ADHD have long been acknowledged, but it is only relatively recently that they have been researched (Wicklund et al 2017; Antshell, 2018; Lerner, et.al 2019; Tucker et. al 2021). It is, perhaps, this link with ADHD that is the root cause of much criminality and needs to be addressed, particularly through entrepreneurship education (Kirby and Honeywood 2007).

Conclusion.

The study demonstrates how entrepreneurship can advance humanity and peace by providing support and employment opportunities for ex-offenders, many of whom would otherwise be homeless and jobless and return to a life of crime. It concludes that entrepreneurship in the U.K. is beginning to impact on the rehabilitation of ex offenders but there is much more that it can contribute. In particular it explores the criminality and entrepreneurship links with neurodiversity and how young people with ADHD especially are treated in both the penal and the educational systems. It recommends that entrepreneurship needs to

- recognise the systemic nature of the global sustainability challenge and focus on the broader issues affecting humanity and peace by incorporating the economic, environmental, humane and social postulates into venture planning from the outset, as Gawel (2012) has recognised. The alternative will be to see the further deterioration and disintegration of the ecosystem and concomitant deterioration in the level of humanity and peace.
- deal positively with the problem of crime caused by ADHD by embracing right as well as left brain thinking skills and changing the way entrepreneurship is taught (Kirby, 2007). Young people with ADHD are not failures academically. Rather, like many successful entrepreneurs, they have a right brain learning preference.

As HRH The Prince of Wales et.al. (2010) recognised the problems the planet and its people are facing cannot be solved by carrying on with the approach that has caused them. If harmony and peace are to prevail change is needed. The traditional economic model of entrepreneurship, in which the emphasis is on shareholder satisfaction and “*making as much money as possible*”, cannot continue, despite its ability to create employment opportunities, but neither can the tradition of implementing solutions independently of each other. Not only has the ethicality of such approaches been questioned (Jones and Spicer, 2009 and Chell, et.al. 2016) but a more systemic solution is required that produces a triple bottom line in which profit planet and people are in harmony

[2003 words]

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The Gender Gap in MSME's Financing: Challenges and Opportunities for Women Entrepreneurs

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Women entrepreneurs have a critical role in promoting economic growth. They help create jobs, generate income, and reduce gender disparities. Nowadays, there are more than 162 million formal micro, small, and medium enterprises (MSMEs) in developing countries, out of which one-third are estimated to be owned by women. Yet, according to the World Bank Group's Women, Business, and the Law report (2022), women face more significant barriers in terms of access to financing than men. Therefore, this article aims to assess the challenges and opportunities that can help narrow the gender gap in MSME's financing.

Based on the IFC's Enterprise Finance Gap Assessment Database findings, Latin America & the Caribbean has the most prominent credit gap, followed by East Asia & the Pacific and Europe & Central Asia. The most common constraints faced by women-owned MSMEs in accessing financial services include the following:

- a) Limited access to business education opportunities and networks.
- b) Social and cultural norms underlying gender biases.
- c) A lack of collateral, inadequate financial infrastructure, or the high cost of funding.

The fact that many barriers for women entrepreneurs to access finance are nonfinancial in nature sparks a debate among policymakers and financial institutions to overcome these challenges and promote equal opportunities. As academic research suggests, women are

as likely as men to succeed when starting businesses in similar industries. Therefore, addressing structural barriers becomes crucial in debunking negative stereotypes about women entrepreneurs. The latest Global Entrepreneurship Monitor (GEM, 2022) “Women’s Entrepreneurship Report” showed that in every country surveyed, women were much less active in business than men and tended to make much smaller related investments, causing fewer women-owned MSMEs than there are for its counterparts. The most significant gender differences were found in lower-income countries, whereas women in upper-middle-income countries were closer to achieving gender parity.

Consequently, the relationship between women, business, and the law is clear when analyzing the correlation between

the number of women-owned businesses and access to finance. **Figure 1** shows the entrepreneurship indicator that analyzes constraints to women starting and running businesses. This includes legal restrictions on women’s access to credit and their ability to sign a contract, open a bank account and register a business the same way as men. A score of less than 100 indicates at least one legal constraint on women’s access to credit, their ability to sign a contract, open a bank account and register a business like men. As the data notes, Sub-Saharan Africa exhibits the lowest score (76 out of 100), which is indicative of its classification as a low-income region. On the other hand, the Middle East & North Africa (86.9) and Europe & Central Asia (95.9) boast the highest scores. Consequently, the latter regions give women more opportunities to establish, run, and expand their businesses.

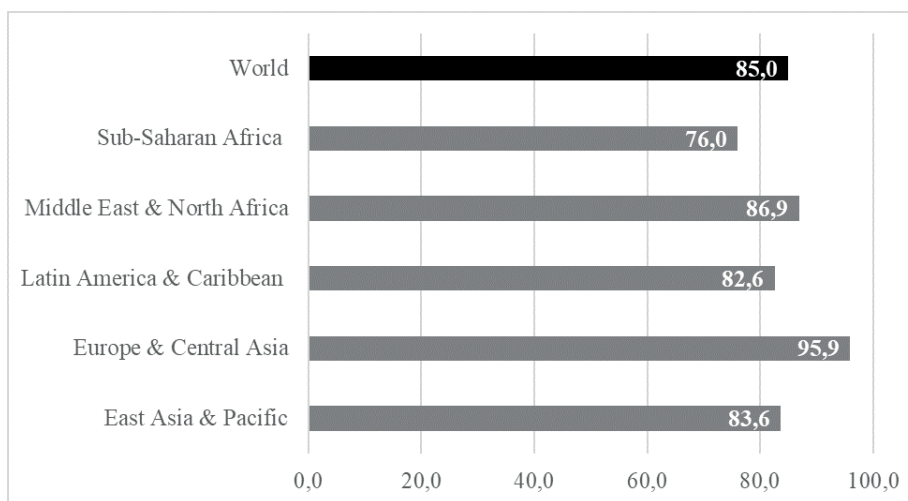


Figure 1 Women, Business, and the Law: Entrepreneurship Indicator Score (scale 1-100)
Source: Self-made with data from the World Bank (2022)

Still, reducing the gap in women-owned MSMEs financing requires further analysis of the determinants and trends impacting it. On the one hand, the IFC’s Enterprise Finance Gap Assessment Database shows

Europe & Central Asia among the top three regions with the most significant gaps. At the same time, the entrepreneurship indicator from the Women, Business, and the Law scores its highest with the fewer

legal constraints on women's access to credit, their ability to sign a contract, open a bank account and register a business in the same way as men than the other regions. To explain this situation, we need to understand that in the middle- and low-income countries, the socioeconomic levels also have more enormous differences and constraints than in high-income countries to access other resources that can determine the degree of education and career choices. For instance, individuals from the lower socioeconomic class in a high-income country may have access to free education up to the university level. In contrast, in a low-income country, such access may be limited or available only up to certain levels of education. In addition, a region like Europe & Central Asia includes several countries with different levels of development and laws in place. Consequently, it is crucial to understand the financial inclusion levels of the regions and separate the high-income countries from the rest.

Financial Inclusion

The World Bank Group considers financial inclusion a key enabler to reduce extreme poverty and boost shared prosperity. It means that individuals and businesses can access valuable and affordable financial products and services that meet their needs (transactions, payments, savings, credit, and insurance) delivered responsibly and sustainably. The possibility of having a savings account is merely the first step, as it also encompasses essential facilities for managing day-to-day expenses. Therefore, financial inclusion can significantly impact low- and middle-income countries. If you think about it, there are higher chances that more people live in rural areas with less income. A bank branch is usually built in populated areas and probably high-density urban areas. The same happens with schools and universities, limiting access to education and networks.

Nowadays, digital technologies are playing an essential role in increasing financial inclusion. It is possible now more than ever to access financial services remotely with an internet connection and a computer or mobile. Nevertheless, it also brings new challenges to the use and affordability of the latest technologies. In this regard, financial inclusion positions as a cornerstone of development, and since 2011, the Global Findex Database has been the definitive source of data on global access to financial services, from payments to savings and borrowing. The Global Findex Database 2021 focused on Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. **Figure 2** illustrates the percentage of women aged 15 and above who have borrowed money from family or friends, own a credit card, and have a financial institution account, categorized by region, excluding high-income countries.

The Middle East & North Africa represent the region with the minor percentage of women with an account at a financial institution (3.3%); almost none have ownership of a credit card (0.2%) and is also the lowest percentage of women that have borrowed money from family and friends (3.7%). On the contrary, Europe & Central Asia possess the highest rates in all three categories.

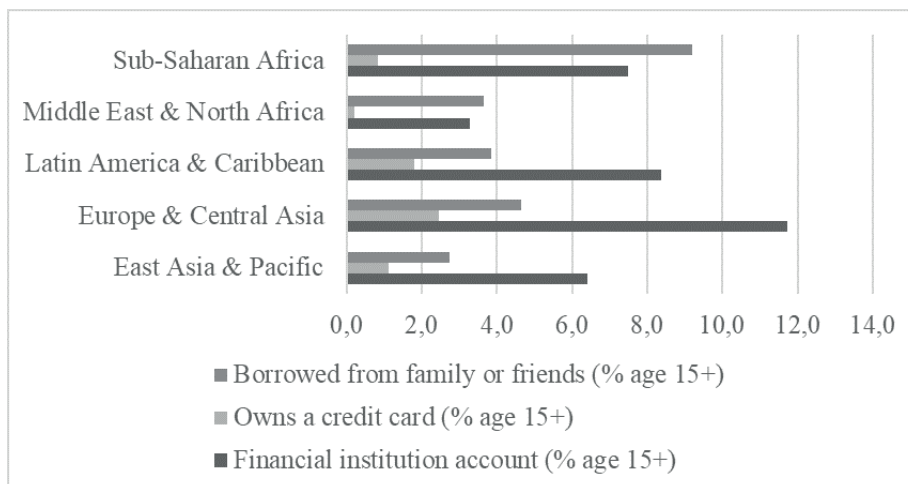


Figure 2 Percentage of women above 15 years old who borrow money from family or friends own a credit card and have a financial institution account sorted by region without high-income countries.

Source: Self-made with data from the Global Findex Database (2021)

There is undoubtedly a geographical proximity between the Middle East & North Africa and Europe & Central Asia but a massive gap in women's financial inclusion. Two regions with contrasting levels of economic development and diversification, as well as cultural and religious beliefs, show a strong relationship between nonfinancial indicators and women's access to finance.

The Digital Transformation

As previously noted, conventional financial institutions frequently enforce strict guidelines, demand collateral, and impose biased lending practices that disproportionately impact women-owned MSMEs. However, technology and digital financial services might provide creative ways to close this gap, frequently offering platforms to connect MSMEs looking for capital with investors with an enormous appetite for risk.

For example, technology can overcome geographic limitations and reach women-owned MSMEs in isolated regions. Digital payment systems and mobile banking make it possible to conduct secure and

convenient financial transactions without visiting a bank physically. This accessibility empowers women entrepreneurs with mobility issues or a lack of nearby financial institutions.

Moreover, technology-based platforms offer opportunities for targeted financial education and resources for women-owned MSMEs. Women entrepreneurs can gain access to valuable financial knowledge and skills through online training modules, webinars, and digital tools, enhancing their decision-making abilities, providing access to a more extensive range of financial services, and the ability to raise capital.

However, gender disparities are also observed within the digital realm. A significant gap exists between men and women regarding digital adoption and utilization. According to UNICEF (2023), over 50% of women worldwide remain offline and are 20% less likely to own smartphones than men. These alarming statistics underscore the heightened challenges faced by women-owned MSMEs in accessing digital financial services and access to financing.

Furthermore, multiple studies have highlighted the divergent ways women utilize mobile devices and the internet compared to men. A key factor contributing to these disparities is the limited availability of affordable and advanced smartphones. This results in women utilizing a narrower range of digital services, primarily focusing only on voice calls and texts. Women also exhibit lower frequency and intensity of digital service usage, accessing the internet less frequently than men due to a lack of affordability for devices, data, and networks. These discrepancies predominantly stem from women's comparatively lower income levels, often earning 30-50% less than men, and reduced financial independence. Consequently, women with limited disposable income allocate fewer resources to mobile and internet services, resulting in less frequent online engagement. Therefore, these discrepancies in usage patterns hinder women's access to the full spectrum of opportunities offered by the digital realm, including digital banking and mobile financial services.

Recommendations

Considering the identified challenges for women-owned MSMEs in access to finance, the following recommendations are proposed:

- As supported by the IFC's MSME Finance Gap report, financial institutions should implement differentiated credit assessment methods to evaluate women's repayment capacity effectively. This can be achieved by placing greater emphasis on qualitative and nonconventional credit assessment approaches and by providing gender sensitization training to their staff with the aim of enhancing the recognition of the opportunities associated with women-owned businesses. These recommendations are especially pertinent for small banks and fintech companies, as they often have a predominantly female customer base and are well-positioned to provide tailor-made solutions for women-owned businesses.
- Digitalization of financial transactions has the potential to enhance access to credit for MSMEs as it creates a digital footprint that can be used to assess the creditworthiness of entrepreneurs who lack collateral or comprehensive credit history. This is particularly significant for women disproportionately affected by these limitations.
- Finally, women entrepreneurs would enormously benefit from initiatives to provide access to nonfinancial services, such as accountancy and financial planning education. As women are less likely to manage business finances independently and often lack good management practices compared to men, providing support in these areas becomes crucial. Financial institutions can explore integrating financial services with information, education, and networking opportunities to offer a comprehensive bundle of products and services tailored specifically for women.

By undertaking these initiatives, a high range of economic opportunities can be fostered for women entrepreneurs, leading to job creation for both women and men and laying the foundations for economic growth in developing markets.

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Promoting sustainable and scalable entrepreneurship in universities: Perspective from South America

Rubén Ascúa, Matías Vignolo and Andrea Minetti. UNRaf K-Hub

Introduction

The creation of new companies has a very important function in the economy, especially the positive effects that new innovative companies cause in structural change, technology transfer, economic growth and the job. In this context, universities play a very important role, since often originate inventions derived from the results of their own research, which academics can often transform into promising innovations¹.

The companies founded by university entrepreneurs are highly qualified and dynamic, taking advantage of opportunities and contributing to industrial diversification and enrichment. It is essential to understand the factors that influence its emergence and development.

The university, as an endogenous element of society, through its R&D, becomes a producer of knowledge and an element exogenous, constitutes a source of information and technological flow.

The formation of Entrepreneurs is an academic space that articulates the linking processes between the University and environmental organizations socio-productive, enabling the assembly of a basic platform of knowledge and concepts, of processes and methodologies of management and administration, which allow positioning the student with the basic fundamentals for the assembly and development of an enterprise.

The importance of starting with a university base

The companies founded by university entrepreneurs are distinguished by their qualified profile, human resources and opportunities taken advantage of. Their contribution to the diversification of the industrial fabric justifies the need to support them. However, it is necessary to increase the base of entrepreneurs, especially among women, local residents and those from low socioeconomic sectors. University entrepreneurs lack role models and direct motivation to undertake, and their skills are limited to technical knowledge. This gap between academic knowledge and its application in the business world can affect their incentives to undertake and develop.

An effective system for promoting entrepreneurship in universities requires consideration of student needs from the perspective of new venture creation. It is an evolutionary process, with marked differences between their component groups. At the same time, these considerations should be formally anchored in the curriculum of the entrepreneurial learning process of students (Andrés & Ascúa, 2014).

Methodology - Survey on Entrepreneurial Propensity

Based on a theoretical and resource-oriented reference system of the business creation process (Ruda, Martin & Danko 2008), a standardized questionnaire has been developed to analyze university students during their university classes for signs of entrepreneurship, such as socio-economic, motivational, disability and assistance factors. In this context, a typology of the founding propensity is applied (Ruda et al, 2008), which takes into account the procedural nature of business creation and makes it easier to differentiate between its different phases (Baron, 2007; Mellewigt, Schmidt & Weller, 2006; Low & MacMillan, 1988). The personal supply of surveys is considered a favorable method to counteract the disadvantage of Internet surveys (Müller-Böling & Klandt, 1993; Schnell, Hill & Esser, 1995).

This Gest model presents these five categories in the typology of the propensity for entrepreneurship and allows a clear differentiation of the entrepreneurial inclination form to start, by following the procedural nature of the business launch. Although it is postulated that the probability of business creation may increase over time; the model allows the permanency within each typology and provides the possibility of going back in the ordered levels (from laymen to founders is an evolutionary process, not unidirectional). In turn, the Gest model does not assume that all individuals finally achieve a higher rating and that no subgroup excludes the potential start-up (Ruda et al, 2008). This Gest model of typologies of entrepreneurial propensity predicts that even founders (potential) may also “fall back” to a category marked by a weaker propensity to new venture creation.

This survey was carried out at the National University of Rafaela in 2019 by Dr. Benjamin Danko. In this report, the results obtained from the surveys for the years 2021 and 2022 are presented. Currently, the survey corresponding to 2023 is in the process of being collected.

Survey on Entrepreneurial Propensity in UNRaf Students (2021)

In 2021, a survey was carried out on university students from the National University of Rafaela (UNRaf) about their propensity to undertake. 165 responses were obtained, mainly from women between the ages of 18 and 25, from Rafaela and studying for a Bachelor's Degree in Administration and Information Management.

72% of those surveyed considered the possibility of creating their own company, showing confidence in acquiring the entrepreneurial vocation and facing risks. However, there was

uncertainty about the real chances of success, although some were confident in the viability of their ideas. The most important aspects related to entrepreneurial activity were the level of income, self-realization and the implementation of one's own ideas. Support from family and friends was perceived as favourable, without considering it a significant difficulty.

The main difficulties anticipated included the economic policy environment, the lack of own or third-party capital, fear of losing own capital and costly regulation to start up. Most mentioned a term of 5 to 10 years to create companies and the ideas were related to the area of study. The commercial and services sector was preferred, serving mainly the local market. As for the required start-up capital, there were mixed responses.

Previous training was considered essential or necessary, valuing the advice and information provided by the university, as well as a list of contacts with companies. Regarding financing, it was planned to use personal savings as the main source, followed by family resources and, to a lesser extent, financial institutions or investment partners.

In summary, the university students surveyed showed a propensity to undertake, but also expressed concerns and needs in training, financing and institutional support.

Survey on Entrepreneurial Propensity in UNRaf Students (2022)

In the year 2022, 328 responses were obtained from students of the National University of Rafaela (UNRaf). 72% of the respondents were women and were between the ages of 18 and 25. Most of them came from the city of Rafaela and were studying for a Bachelor's Degree in Administration and Information Management.

The most representative careers in the surveys were Lic. Adm and Information Management (38%) and Bachelor's degree in Industrial Design (11%). In terms of work experience, 62% of the students surveyed had work experience, mainly in the commercial, service and industrial sectors. 60% of those surveyed had no experience in Human Resources management.

Regarding the possibility of creating their own company, 63% of the students surveyed consider this option. The majority believed that the entrepreneurial vocation can be acquired and that they felt prepared to face risks. However, there was some uncertainty regarding the real possibilities of creating a company, although some showed confidence in the viability of their idea.

Students consider aspects such as income level, self-realization and the possibility of implementing their own ideas as the most important related to entrepreneurial activity. They perceived the support of family and friends as something favorable and did not consider it a major difficulty.

The main difficulties anticipated for business creation included the economic policy environment, lack of own or third-party capital, fear of losing own capital, and costly startup regulation.

Regarding the deadlines for the creation of companies, the majority of the respondents mentioned a period of 5 to 10 years. It was also observed that most of the ideas for the creation of companies were related to the area of study of the students.

In terms of sector and category, the majority of those surveyed planned to create companies in the commercial and services sector, and preferred to serve the local market. Regarding the initial capital needed to start the ventures, responses varied, but many respondents did not know how much capital would be required.

Regarding the need for training, most students considered that it was essential or necessary to receive training before starting a business. In addition, they valued the advice and information provided by the university, as well as the existence of an Exchange for contact with companies.

In terms of financing, most of the students planned to use their personal savings as the main source of financing, followed by family resources and, to a lesser extent, financial institutions or investment partners.

The National University of Rafaela (UNRaf) uses the results of surveys to define actions in Entrepreneurial Development. In 2021, they launched UNRaf Start Up, a program for students and teachers who want to advance entrepreneurial projects.

This program is the result of a joint alliance between CITES Impulsa, an incubator for entrepreneurship, SMEs and cooperatives of the insurer Sancor Seguros, and the National University of Rafaela.

The objectives of this program are to facilitate the formation of multidisciplinary teams, promote the interrelation of the careers of the National University of Rafaela and create an entrepreneurial culture in the UNRaf community.

In the two editions carried out so far, 40 works were received in the categories “business concept or idea” and “project of no more than 2 years of life”.

As a guideline, entrepreneurial projects are part of, or address any of the following topics: ICTs, Design, Food, Food Technologies, Video Games, agribusiness, Communication and Media, Industry 4.0, Environmental management and renewable energy, human capital management, analysis data, information management and technology.

The winning team in 2021 was a project of students from the Bachelor of Industrial Design, the project consisted of a Medical Device to measure blood pressure in public spaces Through the development of a sphygmomanometer for public use intended for the control of BP, it would be possible for a greater part of the population to obtain access to their cardiac information, this being approached both from the economic perspective and also from the cultural one.

In 2022, the winners were students of the Degree in Video Game Production and Digital Entertainment, with a project on a collection of mini games, for computers (PC) with the aim of promoting interaction between the streamer and the audience in Twitch and grow your community in a fun way. It consists of 6 mini games with different themes to cover different types of tastes and thus achieve a more entertaining and varied experience.

Of the 24 projects presented to date, 19 advanced in the Training, mentoring and pitch stage and 5 were winners.



Conclusion

The universities are necessary to promote a positive climate for the foundation based on an education oriented towards entrepreneurship and distinguishing between the target group and an adequate entrepreneurial promotion infrastructure in universities and thus prepare all students for the alternative of professional independence and/or to try to found a company. For the process to find business ideas, to structure marketing mechanisms and introduce innovations in the market and thus promote economic growth and job creation through the foundation of companies; support measures are needed in the universities themselves that

accompany everything the creation process and that also include the graduates, even after who have gained work experience.

The results of the surveys carried out on university students of the National University of Rafaela (UNRaf) in the years 2021 and 2022 reveal a significant propensity towards entrepreneurship among Argentine youth. Although most of the respondents expressed interest in starting their own business and expressed confidence in acquiring the necessary skills and facing challenges, they also pointed to some specific concerns and needs.

The students valued the previous training in entrepreneurship, as well as the advice and information provided by the university. The importance of support from family and friends in the business creation process was also highlighted. However, significant obstacles were identified, such as the economic policy environment, the lack of own or third-party capital, the fear of losing resources and the complex regulation to start a business.

Regarding the areas of interest, the students leaned towards the commercial and service sector, and showed a preference for serving the local market.

According to the results obtained in the two surveys, it is essential that universities provide comprehensive support to students and graduates. This involves offering courses on entrepreneurship, problem-based learning and idea generation, as well as networking and facilitating start-up funding. Likewise, it is necessary to address the regulatory and economic challenges faced by entrepreneurs. With a systematic approach and solid institutional support, the creation of innovative companies can be fostered and the generation of highly qualified employment promoted in the country.

Endnote

¹Ascúa, R., Danko, B., Thomas. M., Ruda, W. (2014) *Propensión emprendedora de estudiantes universitarios. Estudio GEST, análisis y evaluación empírica en Europa y América Latina. Ediciones Universidad Nacional del Litoral.*

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THE “3 M BRIDGES COACHING PROGRAM” for women entrepreneurs

Chrystèle Sanon, CEO of Qwampus. Visiting Entrepreneurship/Intrapreneurship and Leadership Professor in 5 Business, Management and Engineer Schools. ICSB member

Cognition and emotion are inseparable and entrepreneurs- specially female entrepreneurs- offer the perfect ground to demonstrate it. Women are more likely to be hold back from their most ambitious business goals because of their unacknowledgement of their specific emotion frame and bias.

However, the entrepreneurial path is from day one all about feeling if you deep dive. Starting a business forces you to learn more about yourself and others. It may start with a passion, something you like doing ; an intuition : something you think would be profitable ; or even your willingness to serve others.

Antonio Damasio - Director of the Brain and Creativity Institute at University of Southern California- researches has helped elucidate the neural basis for the emotions and shown

they play a central role in social cognition and decision-making.

It is through this perspective that I decided as an entrepreneurial & maieutics coach to work on helping women to dare to project and crush their more ambitious professional goals.

We develop a learning-by-feeling approach that help women entrepreneurs to build their confidence and develop practical skills. Our entrepreneurial coaching program- The 3 M bridges- takes into consideration their emotional frame and provide them with the support, guidance, and tools they need to overcome their unique emotional challenges such as imposter syndrome, the Tall Poppy syndrome, fear of failure or of criticism, risk aversion, and guilt about balancing work and family responsibilities.

The 3 M Bridges program addresses these challenges head-on with mindfulness techniques, stress management strategies, and goal-setting exercises to navigate the ups and downs of entrepreneurship.

We invite them to build conscious, strong and reliable bridges within their 3 main areas for improvement :

MINDSET MONEY MEN

MINDSET. Using the Tim Ferris fear conquering method, we will mute women fear voices by visualizing three scenarios cases of what could be the consequences of the action they are afraid to take :

- The worst scenario case
- The ideal scenario case
- The cost of inaction

They will build bridges to reach their goals.

Once women start acknowledging and facing their deep professional ambition, they usually start experiencing a shapeless fear feeling hard to name, hard to define and also hard to conquer since it can even be imperceptible.

Our work with this 3 M bridges program involves to bring back this fear feeling in their conscious field. Helping them to identify how it holds them back from taking the very first action step of any project : to set a strong Intention.

Studies have highlighted the importance of intention in the project building process .¹

The concept of implementation intentions and the role of intention in goal pursuit and behavior change explored how forming specific plans and intentions can significantly influence the likelihood of taking action and achieving desired outcomes.

Implementation intentions involve specifying the "when, where, and how" of goal-directed actions. They bridge the gap between intention and behavior by increasing the likelihood of overcoming obstacles.

As an in-between exercise, our coaching program uses the Tim Ferriss model, popularized by renowned business coach and author Tim Ferriss, to emphasize 2 major principles : "fear- setting" and strategic planning.

We want women to utilize this model to overcome their fears in launching and running their businesses:

1. **Identify and Define Fears:** Encourage women to identify their specific fears and concerns related to starting and running a business. This could include fear of failure, financial insecurity, or societal expectations. By explicitly defining these fears, women can better understand and address them.
2. **Conduct Fear-Setting Exercises:** Adopting the fear-setting exercise advocated by Tim Ferriss can help women visualize and list the worst-case scenarios related to their fears. This exercise enables them to evaluate the likelihood and impact of these outcomes, ultimately realizing that the potential risks may not be as daunting as initially thought.

3. Break Down Goals into Manageable Steps: Guide women to break down their business goals into small, achievable tasks. By focusing on one step at a time, it becomes less overwhelming, allowing for a gradual progression towards their larger objectives. This approach helps build confidence and reduces fear by promoting a sense of accomplishment.
4. Take Calculated Risks: Guide women to take calculated risks and step out of their comfort zones. Balancing risk and reward is a crucial aspect of entrepreneurship. By carefully evaluating potential risks and benefits, women can make informed decisions and move forward despite their fears.

By implementing these best practices from the Tim Ferriss model, women can effectively address their fears, develop a proactive mindset, and embark on their entrepreneurial journey with confidence.

MONEY. Since women are programmed to handle the household responsibility, they think twice before putting at risk financial resources. First, because they have less of it. Secondly because their failure could put at stake their financial independence for them and the children they are more likely to be responsible for. Work on their loyalty, over responsibility and even their femininity feelings can play a crucial role in their decision-making. The way they weigh risks and benefits, can enlighten their judgments in favor of certain options versus others.

We have identified that working on women perception of money can be a strong lever to unleash their potential.

The whole point of this part of the work is to turn, step by step, their financial risk aversion into an income opportunity perception which, when it is activated, enables them to flourish at a global level.

Women have to see money as a positive tool for extending their positive influence and impact on others. To elevate their vision, we work with them on 4 approaches :

1. Reframing Money Mindset: Encourage women to examine their beliefs and attitudes towards money. Help them understand that money is a resource that can be used to create positive change, support causes they believe in, and make a difference in the world ;
2. Aligning Values and Purpose: Guide women entrepreneurs to clarify their values and purpose. Help them identify causes, initiatives, or sustainable projects that align with their values and resonate with their passion. When women see how their financial resources can contribute to these endeavors, it enhances their motivation and sense of purpose ;
3. Education and Financial Literacy²: we work on providing women with the knowledge and skills necessary to make informed financial decisions , build investment strategies, and sustainable finance. Building financial confidence empowers women to utilize money as a positive force for change ;



4. Cultivating a Mindset of Abundance: we encourage women to embrace an abundance mindset rather than a scarcity mindset. Help them see money as a tool for creating opportunities and making a broader impact in their communities and thus the world.

By Highlighting female entrepreneurs who have effectively used their wealth to create positive change, to support social entrepreneurship, sustainable initiatives, or philanthropic endeavors, we want to inspire and to demonstrate its transformative power for good and develop their holistic perspective on money.

MEN : Emotions can influence our attention, memory, reasoning and can affect our perception of the world, leading us to see things differently depending on our we connect to others.

When women feel misunderstood or deprecated, they find no space to enter the men dominated business world. And they have never be taught how to build constructive communications with the other gender. We will challenge them to build bridges towards men in their immediate environment and learn how to create stronger relationships.

In order to do so, we will work on two main tangible lines. The first one is to help women to use differently their predisposition to transparency when dealing with men in business³.

Transparency, in general, is considered a positive trait in business, as it promotes trust, accountability, and open communication. However, in certain contexts or situations, excessive transparency can have potential drawbacks, and might hinder business creation and management:

1. Competitive disadvantage: In highly competitive industries or environments, there may be instances where disclosing too much information about business strategies, plans, or intellectual property could give competitors an advantage. While transparency is important, striking a balance between sharing necessary information and protecting sensitive aspects of the business can be crucial for success.
2. Negotiation dynamics: Negotiations often involve strategic information sharing and the ability to withhold certain details to gain an advantage. Some argue that women, on average, may be more inclined towards open and honest communication, which could potentially limit their ability to use strategic ambiguity or maintain a competitive edge during negotiations.
3. Perceptions of authority: Some research suggests that women in leadership roles might face additional scrutiny or bias compared to their male counterparts. In this context, being transparent about weaknesses or uncertainties could be perceived as a lack of confidence or competence. Striking a balance between transparency and projecting a sense of authority may be necessary to navigate such biases.



It's crucial to emphasize that transparency, when practiced in a thoughtful and strategic manner, can have numerous benefits for businesses, such as building trust, fostering collaboration, and attracting stakeholders. While there may be specific situations where excessive transparency could be seen as a disadvantage.

The second line will definitely invite women to bridge with men by making them proactive in their promotion valuation process. Successful business environments flourish from co-constructive relationships.

Our experience of female coaching has demonstrated how engaging and drawing closer men in women's rising can be powerful and create strong, balanced and performing business relationships where women can more authentically and patiently grow.

Here is the specific point we work to reach stunning results : make women ask for feedbacks from men they are working, partnering with or men having a position that could literally help their business.

When self-governing women ask for feedbacks, it is about :

1. Valuing Men's Experience and Expertise: Seeking feedback from men acknowledges and values their experience and expertise in the business world. It demonstrates that women recognize the valuable insights men can offer based on their own entrepreneurial journeys. This fosters a sense of mutual respect and appreciation, creating a co-constructive environment.
2. Gaining Different Perspectives: Men and women often have different perspectives due to their varied experiences and societal roles. By seeking feedback from men, women can gain fresh insights and alternative viewpoints. This diversity of perspectives can enrich decision-making processes, encourage innovation, and lead to more robust business strategies.
3. Building Stronger Relationships and Networks: Engaging men in providing feedback on business creation and management builds stronger relationships and expands professional networks. It opens up opportunities for meaningful conversations, mentorship, and potential collaborations. This can lead to valuable connections and support systems that can accelerate a woman's entrepreneurial growth.
4. Fostering Collaboration and Teamwork: Seeking feedback from men promotes a collaborative and inclusive approach to business. It encourages teamwork, cooperation, and shared problem-solving. Women can leverage the strengths and expertise of both genders, creating a dynamic and effective business environment that leads to collective success and collective small wins celebrations.

In conclusion, coaching women in their business journey holds immense potential for empowering them to rise to new heights. Throughout this article, we have explored the transformative impact of coaching in enabling women to confront their inner barriers, to strike a delicate balance between openness and strategic disclosure and also to engage men in the promotion and valuation process by seeking their feedback.

Through the guidance and support of coaches, women can embrace their full potential, shatter glass ceilings, and pave the way for a more inclusive and equitable business landscape.

1 - Gollwitzer, P. M. (1999). *Implementation intentions: Strong effects of simple plans*. *American Psychologist*, 54(7), 493-503. doi:10.1037/0003-066X.54.7.493
Oettingen, G., & Gollwitzer, P. M. (2010). *Strategies of setting and implementing goals: Mental contrasting and implementation intentions*. In *Handbook of self-regulation: Research, theory, and applications* (2nd ed., pp. 114-137). Guilford Press.
Sheeran, P., & Webb, T. L. (2016). *The intention-behavior gap*. *Social and Personality Psychology Compass*, 10(9), 503-518. doi:10.1111/spc3.12265

2 “*Women & Money: Owning the Power to Control Your Destiny*” by Suze Orman “*Smart Women Finish Rich: 9 Steps to Achieving Financial Security and Funding Your Dreams*” by David Bach

3 -“*Lean In: Women, Work, and the Will to Lead*” by Sheryl Sandberg
-“*Nice Girls Don’t Get the Corner Office: Unconscious Mistakes Women Make That Sabotage Their Careers*” by Lois P. Frankel
-“*Playing Big: Practical Wisdom for Women Who Want to Speak Up, Create, and Lead*” by Tara Mohr



MISSING LINK IN GROWING ENTREPRENEURIAL ECOSYSTEMS: Growing connectors to grow entrepreneurial ecosystems (a/k/a “the care and feeding of liaison-animateurs”)

Norris Krueger, PhD

Practitioners and scholars agree that local economies are indeed ecosystems and that healthy ecosystems need increasing connectivity. The biggest lesson learned from entrepreneurial ecosystems: Connectivity requires connecting. Connecting requires connectors. That becomes doubly true if we seek to be more inclusive and more sustainable (Gueneau, et al. 2021; Žebryté, et al. 2021).

Let us revive the term *liaison-animateur* to describe the essences of a great entrepreneurial connector. A proactive, professional (even if unpaid) who both

connects and energizes the entrepreneurial ecosystem (Brannback, et al. 2007; Jones-Evans, et al. 1999; Sweeney 1987). No other actor in an entrepreneurial economy contributes more nor is less supported. **On the United Nations’s 2023 Global MSME Day, it is time to remedy that.**

Centuries ago, even scientists believed that microorganisms arose spontaneously from non-living matter (https://en.wikipedia.org/wiki/Spontaneous_generation). But today, policy initiatives tend to act as they believed that great entrepreneurial connectors arise spontaneously.

Connecting and connectors do not exist in a vacuum; what supports them? Hinders? However, despite the evidence and support for the ecosystem model, public policy has too often continued to support a more linear, institution-driven, top-down model that acts as if *liaison-animateurs* arise spontaneously.

Thought leaders like Startup Genome argue persuasively that this connectivity (also Bell-Masterson & Stangler 2015) is a powerful linchpin for healthy entrepreneurial ecosystems. While sound research does support that, very little research has addressed how to identify, nurture, and grow great entrepreneurial connectors. Fortunately, a deeper understanding of connectors and their activities will help us to remedy that.

Practitioners live the issues that we are discussing and should make ideal informants as this stream of research moves forward. Multiple leading global entrepreneurial support organizations like TechStars, Startup Genome, StartupBlink, Startup Commons, Startup Heatmap Europe, and others are intensely interested in this question. For example, Startup Genome has long argued that global connectivity between entrepreneurs and between ecosystems might be **the** most powerful predictor of ecosystem growth.

Most dominant models assume that entrepreneurship develops similarly in most settings. The great research done by scholars and practitioners alike presume that the same key drivers are important to entrepreneurial ecosystem development everywhere, even if implementation can take different forms. At the very heart of all this is the need for great connectors, yet we neglect to be proactive about identifying and nurturing great connectors.

How to proceed here? First, what do we already know about connectors? Second, what are the clues from how the cultural context appears to play an important role in how connectors arise and how they behave? Third, we will introduce the importance of having an ecosystem mindset. Finally, we present a powerful tool to both identify and grow connectors.

What Makes a Great *Liaison-Animateur* Connector?

There is work that distinguishes network intermediaries as connectors with a vested interest in the connecting versus those more intrinsically motivated. Obstfeld (2007, 2015) mapped out the drivers and consequences of the two types (*tertius gaudens*, *tertius iungens*).

Tertius iungens model – a third party who brings/keeps the other 2 together (rather than explicitly self-serving). Are you an unselfish connector or a gatekeeper who controls access to resources? The *tertius gaudens* model (from structural holes theory) is the latter; *tertius iungens* actors are the former. This fits with the *liaison-animateur* and super-diffuser models.

Here's the problem for us: it is surprisingly hard to monetize the *iungens* model; there is always great incentive (financial, personal, and political rewards) to grab the *gaudens* role (versus the intrinsically motivated *iungens* type.) As such, it is important that critical resources have more than one connection but it also argues that we need to teach more and more people how to be unselfish connectors.

This is increasingly important as the networks get increasingly non-centralized. Think about the 3 types of networks: centralized, decentralized, and distributed. In a highly distributed network, the

gatekeepers/*gaudens* can become very hard to displace except by serious bottom-up effort – for example, introducing new people. Feldman and Zoller show that inserting an entrepreneur-in-residence who knows the resources will increase network connectivity almost overnight.

On the other hand, entrepreneurial ecosystems are complex adaptive systems, typically heterarchical where social networks play powerful roles (Hwang 2012; Brett 2019). From a practitioner perspective, organizations such as the Ewing Marion Kauffman Foundation have focused on how connectors are the *meso* layer essential to bridge the macro (top-down/institutions) with the micro (entrepreneurs) (Motoyama & Knowlton 2018). Figure 1 shows a heterarchy operating on both top-down, institutions-led bureaucratic logics and on bottom-up, entrepreneur-led forces operating on more entrepreneurial logics. Who leads the connectivity between the two? How do they behave? Academic research has demonstrated the inescapable criticality of the *meso*/connector layer (Theodoraki & Messeghem 2017; Theodoraki & Cantazaro 2022). What might push those operating at the meso level to differ in thinking and behavior? How can we nurture healthy approaches?

A connector who carefully guards access to a resource will be differently motivated and connect differently than a connector who increasing connectivity across the network. Stephenson's work on connectors describes the former as a gatekeeper, the latter as a hub or true connector (e.g., 2009). Her work has proven to have significant practical applications. However, it is not difficult to envision cultural norms that strongly favor one type or another. Japan is one example of a country where unselfish connecting is very much a cultural norm, Zoller (2010; Feldman

& Zoller 2016) in studying 'dealmakers' in communities found a mix of types and it appears that unselfish connecting is quite contagious.

Practitioners observe that the best practices tend to be more prevalent in communities that support bottom-up development that focuses on the entrepreneurs. As Brad Feld noted (2012), great startup communities are led by the voices of the entrepreneurs while large institutions and power players such as universities serve as "feeders" (not leaders). They observe more of the worst practices in local economies that are managed more top-down.

Do some cultural norms favor the gatekeeper connector who guards access to people and resources? Do some cultural norms favor proactive, unselfish *liaison-animateur* connectors? Perhaps more important, can we teach the unselfish connector model?

Culture

One early argument in entrepreneurship was whether "entrepreneurial" culture and cognition were shared across communities and countries or are there strong cultural influences. Results were mixed and ultimately inconclusive but we were left with the assumption that entrepreneurial thinking and behavior transcended cultural norms, but what about connecting?

With the rise of interest in entrepreneurial ecosystems, we have new opportunities to revisit that question. One powerful lens for doing so is the impact of connectors that the ecosystems model places front and center. Do connectors behave differently across differing social and cultural norms?

Research into cultural dimensions of entrepreneurial activity have consistently found significant impacts, especially

how entrepreneurial activity is organized (multiple studies by Dana, *e.g.*, Dana 2014). If economic communities are irretrievably co-embedded with social communities, would we not expect important dimensions of culture influence how entrepreneurs and other agents interact (*e.g.*, Liu, et al. 2019)?

On the other hand, we see that entrepreneurs tend to understand and communicate more like entrepreneurs in other cultures but are cultural outliers in their own land (McGrath, *et al.* 1992). Entrepreneurs in multiple cultures shared remarkably similar expert cognitive scripts and that these common scripts are significantly adaptive as they are associated with more expert entrepreneurs (*e.g.*, Mitchell et al. 2000) rather than even strong cultural norms. TechStars (Le, 2022) studied their superconnectors across their global organization and they differed little in their patterns of connectivity.

Norms Around Venture Financing

The Techstars work triggered an important insight: Regardless of where entrepreneurs operate, the “rules of the game” for financing one’s venture has become its own (and learned!) social norm. A startup pitch looks very similar whether Silicon Valley, Mongolia, Zimbabwe, or Lithuania.

Thus, another potential force for more homogeneous models is the globalization of dominant financing models. The venture capital/unicorn model appears everywhere, while other models (*e.g.*, zebras, frugal innovation) are less visible, except perhaps for social ventures which often prove more stakeholder-centered rather than investor-centered, suggesting another angle for us to explore. This is particularly intriguing in light of the meteoric rise of impact investing in support of sustainability.

Culture or Mindset?

While we often speak of the “entrepreneurial mindset” that we try to initiate and expand in entrepreneurial education and training, the ecosystem builder community has increasingly argued that the mindset of a great unselfish connector is different. But it differs dramatically from the mindset of traditional economic developers and marks a stark contrast with policy makers who remain wedded to a very top-down, institutions-led model (Table 1). Even in highly-institutionalized settings like universities, mindset matters (*e.g.*, Choi, et al, 2022). Consider how this influences infrastructure investments intended to grow innovation and entrepreneurship (*e.g.*, Bennett 2019), especially where resources are sparse or patchy (*e.g.*, Gueneau, et al, 2021).

A deeper dive into the *ecosystem mindset* is beyond the scope of this essay but is well worth a long look (*e.g.*, Krueger 2023).

Can the Ecosystem Mindset Be Trained? Can we Grow *Liaison-Animateurs*?

Entrepreneurship educators have long claimed that entrepreneurial training grows a strong entrepreneurial mindset, particularly via intense experiential learning tools. If true, can this be extended to cultivating an ecosystem mindset?

One novel approach that we recommend to those involved in designing, developing, and delivering entrepreneurship development efforts is to create formal coursework that **(1)** educates and motivates learners about the ecosystem model and **(2)** to focus attention on supporting and growing ecosystems that we are proud of (*e.g.*, sustainable).

Let me offer three successful models of exactly this.

The standard-setter was delivered during the pandemic to students at George Washington University that I co-led with Professor (*and* ICSB president) Ayman El-Tarabishy. It was co-created by ten global scholar-educators** from Africa, Asia, North America, South America, and Europe with a central focus on the UN's Sustainable Development Goals. While an MBA class, it is easily adapted to undergraduate and adult education audiences (potentially even secondary schools). *Syllabus*: https://docs.google.com/document/d/14af_LpexcM6jW7ushskcUPuPGATjncwe/edit?usp=share_link&oid=110833166844961628200&rtpof=true&sd=true

In 2022, the American University global MBA program offered a social innovation class (that would also be easily adapted to other populations). *Syllabus*: <https://docs.google.com/document/d/1De8Va8DT-3vMqFbxWYwPBsDLq0UiNOlq2NBQe6dZMwU/edit>

Also in 2022, Lithuania joined with an intensive 10-day social innovation class in Vilnius for ISM's renowned masters in global leadership (see also Liubertė, et al. 2023). Again, easily adaptable to undergraduate, primary/secondary, and adult education audiences.) *Syllabus*: https://docs.google.com/document/d/14af_LpexcM6jW7ushskcUPuPGATjncwe/edit?usp=share_link&oid=110833166844961628200&rtpof=true&sd=true

Students Are Our Secret Weapon

There are other examples around the world that serve as further evidence that students are a key leverage point (e.g., www.guesssurvey.org). Students learn about how to grow a healthy entrepreneurial ecosystem and how to become a *liaison-animateur* themselves and also use the class itself to identify and support their own communities' great connectors. These classes can help communities to map their ecosystems and do so unselfishly, even teach them how to teach others. Students learn how to understand and work with diverse stakeholders; imagine them teaching this to entrepreneurs and their champions in their communities.

And let me re-iterate: Such courses need not be limited to MBA programs. As HE Innovate's Entrepreneurship360 and other efforts have shown, entrepreneurial learning can happen at any age and in any setting. I would argue that developing courses centered around ecosystems (not just entrepreneurship) offers policy makers a powerful and cost-effective tool. **Students are our secret weapon.** Will you join us? We would be honored to help you build your own great entrepreneurial ecosystem training course.

**** Postscript:** Thanks to my great co-creators of the GWU class: Besides Ayman El-Tarabishy, big thanks to Leona Achtenhagen. Brenda Brombacher-Rios, Eric Caeg, Paul Crook, Moses Ngoze, Ngozi Ogoke, Hezron Osano, Caio Stettiner, Sirje Ustav and massive thanks to my co-creator of the ISM course, Ieva Žebrytė!

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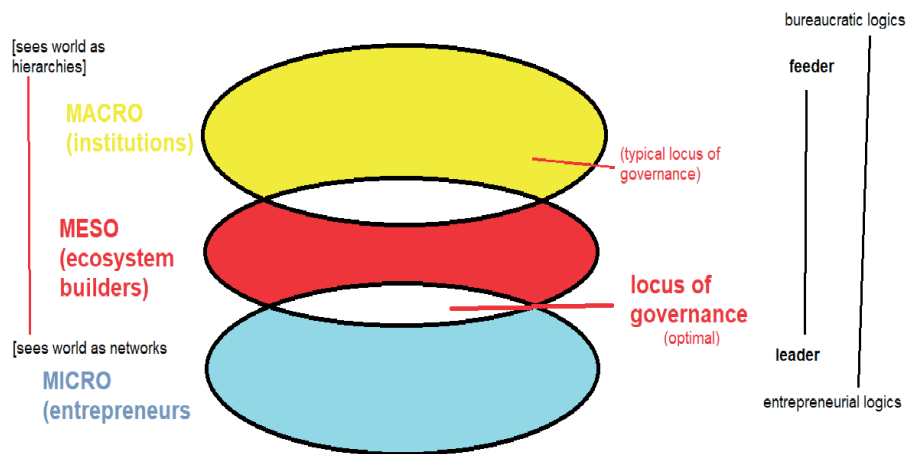


Table 1. The Ecosystem Mindset!

Critical Assumptions on how to help entrepreneurs

Traditional economics

Ecosystem building

(traditional mindset)

(ecosystem mindset!)

Top-down

Bottom-up

Stakeholders managed:

Inside-out

Outside-in

Institutions

People! [*Liaison-animateurs*]

Directing/Organizing

Support self-organizing

Gatekeepers 'own' connecting

Connecting led by *Liaison-animateurs*

Centralized

Decentralized

"one ring to rule them all"

leaders emerge from bottom-up

Between-layer connects:

Few-to-many links

System/network mandates many-to-many links

Hierarchies

Networks

Linear

Nonlinear (Complex systems!)

Reactive

Proactive

Control risks

Bias for action

Incremental innovation

Discontinuous innovation

What do we think entreps need?

What do entrepreneurs actually want?

Discrete (can optimize parts)

Connected (satisficing across system)

Static (assume few changes)

Dynamic (assume change happens)

Intentional (farm)

Emergent (rainforest)

Control-seeking

Seeks to manage

Psychological "tells"?

Scarcity mindset

Abundance/growth mindset

Lower on entrepreneurial mindset

Higher on entrepreneurial mindset

Connecting: Extrinsically motivated

Intrinsically motivated

Avoid ambiguity

Embrace ambiguity

Focus on existing patterns

Keep re-connecting the dots

Fewer entrepreneurial skills

More entrepreneurial skills [EntreComp]



AI's impact on The Future of Youth Entrepreneurship

Skye L. Blanks, ICSB COO

Will youth entrepreneurs be leaders in applying artificial intelligence (AI) to their businesses? AI is rapidly transforming the world, and its impact on entrepreneurship is no exception. AI is already being used by entrepreneurs to develop new products and services, improve efficiency, and reach new markets. As AI continues to develop and become more accessible, it is likely to have an even greater impact on the future of youth entrepreneurship.

The Youthful Entrepreneurial Edge

According to the United Nations, youth entrepreneurs are individuals who are between the ages of 15 and 24. These young entrepreneurs have grown up within the technological revolution and are primed to be the ones to make the most out of this proliferation of AI technologies. Young entrepreneurs have a natural affinity for technology, and are well-positioned to embrace these disruptive technologies and apply them to various sectors. AI has the potential to transform industries, automate processes, and drive efficiency. Young entrepreneurs can harness the power of AI to create products and services that address societal needs and challenges, ranging from healthcare and education to sustainability and social impact.

Entrepreneurship for a More Secure Future

The COVID-19 pandemic has prompted many young people, including students and recent graduates, to consider entrepreneurship as a means to take control of their future. The health crisis, coupled with economic uncertainty, has led individuals to seek entrepreneurial solutions that can drive social and economic change while ensuring sustainable growth. The

disruptive nature of AI and other emerging technologies provides an opportunity for young entrepreneurs to create innovative solutions, support local communities, and accelerate economic development.

The unprecedented challenges brought about by the COVID-19 pandemic have highlighted the importance of resilience and adaptability. Many young people who witnessed the disruption of traditional industries and the vulnerability of certain job sectors have realized the need to be proactive and explore alternative pathways to success. Entrepreneurship offers a way to navigate an unpredictable future by empowering individuals to create their own opportunities and take charge of their careers and with this advent of accessible artificial intelligence, youth entrepreneurs are primed to develop innovative solutions for the world's most complex challenges.

How AI is impacting youth entrepreneurship

AI is set to revolutionize the way businesses operate, and young entrepreneurs are well-positioned to leverage this technology. By automating routine tasks, AI enables young entrepreneurs to scale their businesses while focusing on creative and innovative work. AI-powered data analysis provides valuable insights into consumer behavior and market trends, helping young entrepreneurs make informed decisions. Moreover, AI tools and platforms are becoming increasingly accessible, reducing barriers for young entrepreneurs to adopt and implement AI technologies. From content creation to strategic planning, AI acts as a guide, enhancing human capabilities and enabling young entrepreneurs to pursue ventures they may not have otherwise attempted.

AI has a profound influence on youth entrepreneurship, presenting unprecedented opportunities for young entrepreneurs to thrive in the business landscape. With the ability to automate repetitive tasks, AI technology empowers young entrepreneurs to streamline operations and allocate more time and resources to creative and innovative endeavors. By offloading mundane and time-consuming activities, young entrepreneurs can focus on strategic planning, product development, and customer engagement, enhancing their overall productivity and efficiency.

One of the significant benefits of AI for young entrepreneurs is its capacity to analyze vast amounts of data. AI-powered data analysis tools provide valuable insights into consumer behavior, market trends, and competitive landscapes. Armed with these insights, young entrepreneurs can make data-driven decisions, optimize marketing strategies, and identify new market opportunities. AI also enables personalized customer experiences through tailored recommendations and targeted advertising, enhancing customer satisfaction and loyalty.

The increasing accessibility of AI tools and platforms further supports youth entrepreneurship. Many AI technologies are becoming more affordable and user-friendly, allowing young entrepreneurs to adopt and implement AI solutions without extensive technical knowledge or substantial financial resources. Cloud-based AI services, open-source software, and AI development platforms offer young entrepreneurs opportunities to experiment, innovate, and integrate AI into their businesses, leveling the playing field and empowering them to compete with more established companies.

Furthermore, AI acts as a co-pilot, augmenting human capabilities and enabling young entrepreneurs to pursue ventures that were previously out of reach. AI-powered chatbots, virtual assistants, and customer service automation systems enhance customer support and engagement, even for startups with limited human resources. Natural language processing and machine learning algorithms enable automated content creation, social media management, and personalized marketing campaigns, allowing young entrepreneurs to scale their businesses rapidly.

However, it is important to note that AI implementation also poses challenges for young entrepreneurs. Ethical considerations, data privacy concerns, and the potential for job displacement are among the key issues to address. Young entrepreneurs must navigate these challenges responsibly by adopting ethical AI practices, safeguarding customer data, and ensuring transparency and accountability in their AI systems.

Challenges and Barriers Faced by Young Entrepreneurs

While the enthusiasm to become an entrepreneur among young people is high, AI has not eliminated many of the various barriers youth face in the pursuit of entrepreneurship. Access to information, knowledge, training, and peer-to-peer support networks can be limited, especially in countries with limited personal access to reliable internet. Policymakers and institutions need to be aware of these challenges and take measures to empower youth-led initiatives. Support for youth entrepreneurship and leadership can be crucial for building resilience and ensuring the success of young entrepreneurs. Young entrepreneurs face several challenges and barriers that can hinder their entrepreneurial

journey. These obstacles often require resilience, determination, and support to overcome.

One significant challenge is the lack of access to financial resources. Many young entrepreneurs struggle to secure startup capital due to limited personal savings, lack of credit history, or difficulty in obtaining loans from financial institutions. The absence of financial support can impede their ability to develop and scale their businesses, hindering their potential for growth and innovation. However, various initiatives, such as government-backed loan programs, crowdfunding platforms, and incubators, have emerged to address this issue and have the potential to provide young entrepreneurs with the necessary financial assistance and guidance.

Another challenge is the limited business experience and knowledge among young entrepreneurs. Starting and running a business requires a wide range of skills, including marketing, operations, finance, and management. Young entrepreneurs often lack the experience and expertise in these areas, which can lead to difficulties in effectively managing their ventures. However, mentorship programs, entrepreneurship education, networking opportunities and even the use of AI can help bridge this knowledge gap by providing guidance, training, and access to experienced professionals who can offer valuable insights and advice.

Furthermore, young entrepreneurs often face skepticism and prejudice due to their age. Some individuals may underestimate their capabilities and perceive them as inexperienced or lacking credibility. Overcoming age-related biases and building trust with customers, partners, and investors can be a challenge for young entrepreneurs.

However, by demonstrating their passion, knowledge, and commitment to their businesses, young entrepreneurs can challenge these stereotypes and prove their worth.

Additionally, young entrepreneurs may encounter regulatory and legal barriers. Navigating complex business regulations, licensing requirements, and compliance procedures can be daunting, particularly for those without prior experience. These barriers can pose challenges in terms of time, cost, and administrative burden. Governments and organizations can play a crucial role in simplifying and streamlining these processes, providing clear guidelines and resources to support young entrepreneurs in meeting legal obligations.

Finally, the lack of a supportive ecosystem and network can be a barrier for young entrepreneurs. Building connections, accessing mentorship, and finding collaborators are essential elements for success in entrepreneurship. Without a supportive network, young entrepreneurs may struggle to find the necessary guidance, advice, and opportunities for growth. Initiatives such as entrepreneurship hubs, incubators, and networking events can help create a supportive ecosystem that fosters collaboration, knowledge sharing, and access to resources.


Looking to the future

The future of youth entrepreneurship lies at the intersection of emerging technologies like AI and the drive of young individuals to create innovative solutions. The rise of young entrepreneurs brings numerous benefits to individuals, societies, and economies, including employment opportunities, economic growth, and social impact. AI, with its automation capabilities and data analysis potential, empowers young entrepreneurs to scale their businesses and make informed decisions. However, it is crucial to address the challenges and barriers faced by young entrepreneurs, such as limited access to financial resources, lack of business experience, age-related biases, regulatory obstacles, and the absence of a supportive ecosystem. Governments, multilateral organizations, and the wider entrepreneurial community have a vital role to play in providing the necessary support and opportunities for young entrepreneurs to thrive and contribute to economic growth and innovation. By promoting AI skills training and facilitating international cooperation, we can ensure that youth entrepreneurship thrives in the age of AI, driving economic growth, innovation, and positive change.

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Our story begins in the 1970s, in the bustling streets of Kuwait, where Ayman's parents kindled the flame of a small business. Their ambition met with the rugged terrain of entrepreneurship, resulted in a fascinating journey marked by tenacity and courage. This spectacle of perseverance deeply impacted Ayman and his brothers, serving as a masterclass in resilience and a testament to the power of small-scale enterprises.

Each step of their parents' journey, every obstacle overcome, painted a vivid picture of the decisive role that small businesses play in shaping lives and communities. These unforgettable experiences would later serve as a cornerstone for Ayman's endeavors on a much grander stage.

Fast forward several years, Ayman pursued a successful academic career and eventually became a respected professor at the George Washington University School of Business. However, the impressions left by his parents' entrepreneurial spirit remained vivid and unshaken. It spurred a desire within Ayman to foster and uplift small and medium-sized enterprises (SMEs) worldwide.

Ayman observed a significant gap between rhetoric and real-world action in an era where organizations often profess support for SMEs. Acknowledging this void, he recognized the pressing need for bold initiatives and practical action plans. This realization culminated in his proposal of a bold idea to the United Nations - an international day dedicated to recognizing and supporting SMEs.

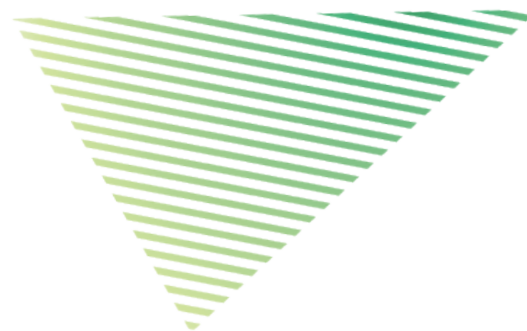
Supported wholeheartedly by Argentina, Ayman's vision became a reality in April 6, 2017 with the United Nations General Assembly declaring June 27 as Micro-, Small, and Medium-sized Enterprises Day (MSME Day). This global initiative transcended mere celebration, serving as a launchpad for ambitious initiatives to support MSMEs substantively.

MSME Day has since become a global rallying point, emphasizing the role of MSMEs in achieving the United Nations' Sustainable Development Goals (SDGs). It specifically underscores the profound contributions of SMEs toward promoting decent work and economic growth, achieving gender equality, reducing inequalities, and fostering sustainable cities and communities.

Notably, Argentina's instrumental role and unwavering support have been integral to the realization and ongoing success of MSME Day. The Organisation for Economic Co-operation and Development (OECD) has been a staunch advocate, playing a significant role in shaping actionable plans and initiatives to bolster the MSME ecosystem.

As we look toward MSMEs Day 2023, the "Youth and Women Entrepreneurship and Improvement of Supply Chains for Sustainable Development" theme highlights the crucial role of MSMEs led by women and youth. It highlights the importance of sustainable supply chains in accelerating development.

What began as a humble business in Kuwait by Ayman's parents has burgeoned into a globally recognized initiative, thanks to Ayman's commitment and the unwavering support from nations like Argentina and organizations like OECD. The dawn of MSMEs has arrived, bringing a wave of optimism for a sustainable, inclusive global economy.





THE IMPORTANCE OF CONTINUING EDUCATION FOR FILIPINO ENTREPRENEURS

Enrique Pablo “Eric” O. Caeg, ME, CPM, CEI, SLC is a member of the ICSB Global Board of Directors for 2022-2023, the President of the International Council for Small Business Philippines and a Clinical Professor and Academic Program Director of the Master in Entrepreneurship at the Asian Institute of Management

Entrepreneurship has never been this exciting, after the era of the Covid19 Pandemic, small businesses in the Philippines are back in the marketplace. This was cited by Mr. Lucien Dy Tioco, ICSB Ph Trustee and Executive Vice President of the leading newspaper Philippine Star on December 29, 2022 report that the Department of Trade and Industry hit an all-time high on Business Name Registrations in 2022. According to the report, the DTI ended 2022 with a 7.4% growth in business name registrations, surpassing record levels of 2020. This was evidenced by 932,097 new business

names registered, higher than the 867,647 in 2021. It broke the 2020 record which was at 916,164.

Trade Secretary Alfredo Pascual noted, “The rising number of Sole proprietors registering their business names is indeed a positive sign that the Filipino Entrepreneurial spirit is alive and recovering from the pandemic. We are pleased that more sole proprietors have undertaken the necessary first step of registering their businesses, starting with their business names”.

In the Philippines, the DTI has categorized businesses as follows: Micro Enterprises have a capital of less than P3,000,000.00 and manpower size from 1-9; Small Enterprises (Micro and Small are combined at 99%), have capitalization from P3,000,001.00 to P15,000,000.00 and a manpower size from 10-99; Medium Enterprises (.5%) are capitalized from P15,000,001 to P100,000,000.00 with a manpower size of 100-199, the Large Enterprises (.5%) with capitalization of P100,000,001.00 and up with more than 200 employees.

With these numbers, we come to think, how can we assist micro businesses scale up to become small, small to medium and medium to large.

There are different ways of assisting the MSMEs. One way is towards continuing education, either through degree programs from the academe, coaching and mentoring from Government Agencies and Non-Profit and Industry Organizations.

This article will narrate the different efforts of the Entrepreneurial Ecosystem in the Philippines.

But first, there are lingering questions that need answers. Why is continuing education important for Entrepreneurs? What value does it bring to their businesses? Entrepreneurs don't have time. Small business owners don't have enough budget to spend.

Firstly, doing business requires transformation, and from the eyes of the customers, it is a must. Consumer and Customer's expectations changes and these must be addressed by the providers. Knowledge of these expectations are not enough to satisfy the Customers. Entrepreneurs must know the strategy on how to execute plans and programs while making sure that they are operating profitably.

"Entrepreneurship Passion without strategy is a waste of energy. From the smallest size of business to the largest enterprise, A.I.P. (Attitude, Intellect and Performance) are foundational."

Different sizes of business need the right quality education. While the business grow, so does the expertise of the Entrepreneur and the structure of the Enterprise. Organize, Systematize and Document. These are some things that Entrepreneurs missed out on. And when the Founders are tired and getting old, succession is the next problem, especially for Family Owned and Operated Businesses (F.O.O.Bs).

According to one business Founder whose enterprise is almost 50 years old, "What we did yesterday is not applicable today, what we know today is obsolete tomorrow. So I am for transformation, go and execute."

So where does the Entrepreneur go for continuing education?

At the forefront is the Department of Trade & Industry with its Bureau of Small and Medium Enterprise and Development (BSMED) and the Regional Operations Group (ROG). Both groups develop and execute various activities and programs that teaches Entrepreneurs on the basics of entrepreneurship.

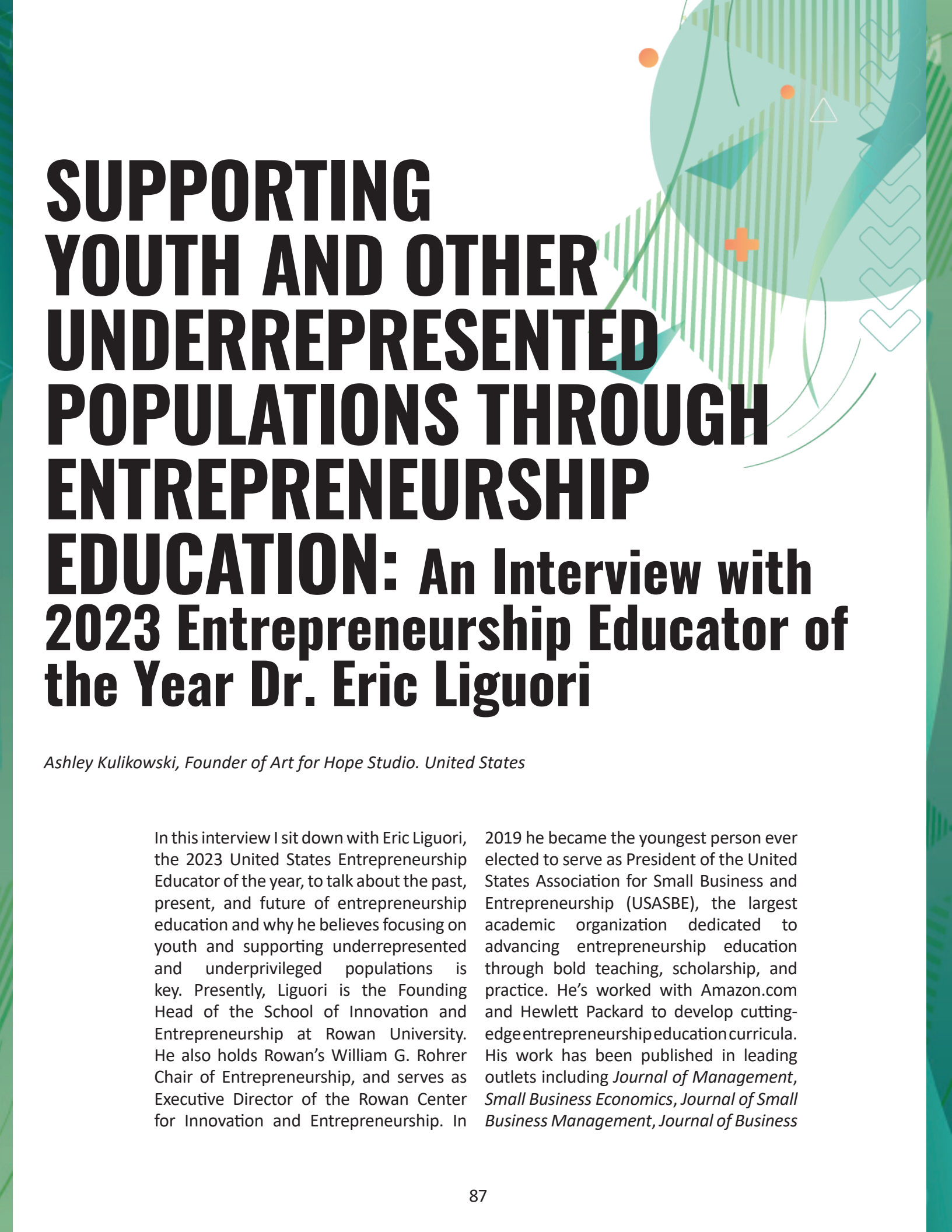
For his part, Mr. Jose Ma. “Joey” Concepcion, founder of the Philippine Center for Entrepreneurship (PCE), in his recent keynote speech at the Philippine Franchise Conference, he stressed the importance of cultivating the right mindset for entrepreneurial success. He emphasized the critical role of mentoring while proudly sharing the remarkable 18- year legacy of Go Negosyo, which has empowered 10,000+ Filipino MSMEs, enabling them to scale up for free and achieve success. The Kapatid Mentor Me (KMME) is a Private and Government Partnership that advocates mentorship to Entrepreneurs.

In 1999, the Asian Institute of Management (AIM), an accredited institution by the Association to Advance Collegiate Schools of Business (AACSB), pioneered the Master in Entrepreneurship, a graduate degree program that aims to sharpen the character and skills of the Entrepreneur and transform the Enterprise through the E-Laboratory works by the students. Today, led by its President & Dean and former Chairperson of the AACSB, Jikyeong Kang, PhD, the ME has graduated near to 1,000 Entrepreneurs. Their businesses are highly successful, and most are performing well in their respective industries.

On the other hand, the Knowledge Hub ICSB Philippines and Retail Academy Ph has executed free hybrid learning sessions undertaken during the Women’s Month and UN SME Day. These events featured speakers from different industries like Information and Digital Technology, Operations & Supply Chain Management, Human Resources and Finance. ICSB Philippines has inked a Partnership with AIM to conduct Coaching & Mentorship to Students through the Career Service Office. Professionally trained Shared Leadership Coaches will connect and engage students to prepare them for the real world in business and at the workplace. ICSB Philippines is also exploring another tie-up with School for Executive Education and Lifelong Learning.

Other Organizations are helping in the advocacy of educating Filipino Entrepreneurs: the Philippine Chamber of Commerce and Industry, Federation of Filipino Chinese Chambers & Commerce & Industry, Management Association of the Philippines, Women Business Council of the Philippines, Restaurant Owners Association of the Philippines, Philippine Retailers Association, Philippine Franchise Association, Association of Filipino Franchisers, Inc., Supply Chain Management Association of the Philippines, Leadership in Motion, Coaches Connect Service Cooperative, Asian Consulting Group, Philippine Association of Legitimate Service Contractors, Philippine Blockchain Council, Institute of Corporate Directors, Institute of Management Consultants of the Philippines, Business Network International-Philippines, Indian Women in Enterprise Philippines, International Coaching Federation Philippine Charter Chapter and the Philippine Marketing Association.

These stakeholders spend time and resources to help Filipino MSMEs and we are grateful to be a part of it. Continuing Education for MSMEs are not dole outs, beneficiaries, paid or free both have responsibilities to use the knowledge they gain and improve lives of everyone in the ecosystem.



SUPPORTING YOUTH AND OTHER UNDERREPRESENTED POPULATIONS THROUGH ENTREPRENEURSHIP EDUCATION: An Interview with 2023 Entrepreneurship Educator of the Year Dr. Eric Liguori

Ashley Kulikowski, Founder of Art for Hope Studio. United States

In this interview I sit down with Eric Liguori, the 2023 United States Entrepreneurship Educator of the year, to talk about the past, present, and future of entrepreneurship education and why he believes focusing on youth and supporting underrepresented and underprivileged populations is key. Presently, Liguori is the Founding Head of the School of Innovation and Entrepreneurship at Rowan University. He also holds Rowan's William G. Rohrer Chair of Entrepreneurship, and serves as Executive Director of the Rowan Center for Innovation and Entrepreneurship. In

2019 he became the youngest person ever elected to serve as President of the United States Association for Small Business and Entrepreneurship (USASBE), the largest academic organization dedicated to advancing entrepreneurship education through bold teaching, scholarship, and practice. He's worked with Amazon.com and Hewlett Packard to develop cutting-edge entrepreneurship education curricula. His work has been published in leading outlets including *Journal of Management*, *Small Business Economics*, *Journal of Small Business Management*, *Journal of Business*

Research, Entrepreneurship and Regional Development, and Technological Forecasting and Social Change, and featured in media outlets including USA Today, U.S. News and World Report, Forbes.com, and BuzzFeed. He is an active angel investor, primarily in CPG and e-commerce companies, and serves on the screening committee for the \$25M Rowan Innovation Venture Fund. In 2021 Liguori was named a Justin G. Longenecker Fellow of the United States Association for Small Business and Entrepreneurship, the organization's highest honor, for his "outstanding contribution to the development, furtherance and benefit of small and medium businesses."

Kulikowski: Dr. Liguori, thank you for taking time to sit down with me and discuss entrepreneurship education, and congratulations on being named the 2023 U.S. Entrepreneurship Educator of the Year – that's an amazing and well-deserved honor. To get us started let's begin by reflecting back on your experiences as an entrepreneurship educator. Thinking about all the hours over the years you have spent in the classroom, what advice would you offer to newly minted entrepreneurship educators?

Liguori: Thank you, Ashley, for speaking with me today. It's my privilege to be here and I'm a huge fan of the important work you are doing through Art for Hope Studio to not just help people train their creativity muscles but to also address the mental health challenges plaguing youth in particular. I've spent a lot of time thinking about this over the past year as I've spoken to and/or written in *Entrepreneurship Education and Pedagogy*¹ and the *Annals of Entrepreneurship Education and Pedagogy*² on this topic, and I definitely appreciate the opportunity for some deliberate reflection. What's top of mind for me right now in this regard is two things, one relating to classroom culture and the other relating to cross-pollination of ideas and experiences.

#1. Classroom culture is everything. I approach the classroom as Mardi Gras inspired because, as anyone who has ever been to Mardi Gras can attest, it's impossible to be a passive observer when the energy of the experience is so powerful that everyone becomes an active participant. In a sense Mardi Gras is a crowd-participation event, and that's how I think contemporary entrepreneurship classrooms need to also operate, albeit with a little less revelry that the French Quarter provides. Pedagogically, a crowd-participation philosophy shares some key attributes with Mardi Gras:

- There's some deliberate structure to do every week of the Mardi Gras season (or semester), including time for recursive loops.
- Experimentation, improvisation, and play are encouraged and embraced.
- Comfort zones disappear and people engage in new and meaningful ways because they are enjoying the process and want to contribute.
- Everyone has a shared ownership over fostering an environment consisting of positive energy and collaboration; one where participants can both draw energy and build momentum from the collective as much as they contribute to it.
- There's a clear bias toward action, because like Mardi Gras, entrepreneurship requires action.
- Participants feel empowered, but won't often realize how much their behavior changed until they reflect back, making the deep reflection component an essential component of the overall learning process.
- And last, there's diversity – age, gender, ethnicity – everyone's able to participate equally and feels safe and supported.

Establishing this culture, or the Mardi Gras spirit, in our classrooms is one of the most essential things an educator must do. When done well, the outcomes speak for themselves.

#2. Cross-pollination is powerful. For educators in particular, it's crucial to not become too comfortable in our positions as supposedly all-knowing sages. Spend too long in the same classroom and you may begin to consider yourself the smartest person in it. You may be the teacher, but that's the beginning of the end for openness to new ideas.

The remedy is to gain as broad experience as possible – ideally within different entrepreneurship programs. Each university is an ecosystem unto itself – with unique student populations, strengths, weaknesses, and resources. We can't replicate that ecosystem as an exact replica; it's the same type of folly as regions trying to replicate Silicon Valley without considering what unique attributes they bring to the table. But we can learn from each ecosystem. And by exposing yourself to as many of them as possible, the broader perspective you'll have. For me it was learning from my time at Fresno State, University of Tampa, and Rowan, coupled with attending Babson SEE and Experiential Classroom, and learning from so many others who have welcomed me into their campus communities or shared their programs when competing for model program awards at USASBE (my favorite part of the annual conference, a source of pure inspiration).

Since childhood I've always liked this African Proverb the fundamental value of travel, and I think it pretty well also sums up why I believe so strongly in educators gaining broad exposure to the entrepreneurship education landscape:

'He who has not travelled widely thinks that his mother is the best cook.'

One way to do this is easy - as you attend conferences like USASBE, ICSB, and GCEC, prioritize attending the model program awards competitions to see and learn what others are doing - it's the single best return on investment you can get from these conferences and is sure to spark your inspiration.

Kulikowski: You recently worked with AACSB to explore how higher education can better support and empower underrepresented aspiring entrepreneurs, which I think we'd all agree is so critical. Can you share some key insights gleaned from that effort?

Liguori: Yes, glad to. This was a project that Susana Santos, Sher Gibbs and I put together for AACSB Insights. In many ways, entrepreneurial ventures are extensions of the founders, so we sought to understand how self-concept is reflected and experienced throughout the entrepreneurial journey. More specifically, we explored the dynamics of entrepreneurs' racial identity, which is a particularly complex component of an individual's self-concept, focusing specifically on the African American community, where race historically has had a large impact on entrepreneurs' personal, educational, and professional experiences and opportunities.

What we found were two key barriers: overcoming stereotypes and accessing funding. Society's stereotype of what an "entrepreneur" looks like is narrow, with many interviewees noting the uphill battles they continue to fight against the widely held perception that entrepreneurs are predominantly masculine and white. Y-Vonne Hutchinson, founder of the California-based diversity strategy firm ReadySet, noted, "There's a culture of pattern matching, which is very limiting." When many people picture an entrepreneur, they picture someone like Mark Zuckerberg, she said. "They don't picture a Black kid. ... They don't picture a Black woman."

These racial stereotypes can make it especially difficult for entrepreneurs from underrepresented backgrounds to find funding for their enterprises. In 2021, for example, only 1.4 percent of all venture capital funding in the U.S. went to African American founders.³ Robert Johnson, founder of Black Entertainment Television, said making funding more accessible to underrepresented founders would go a long way toward creating an even playing field for all entrepreneurs. "If you want to change economic discrimination and income inequality between African Americans and white Americans, or minority Americans and white Americans," he noted, "you've got to figure out a way to provide a flow of capital into the hands of entrepreneurs and others who are fully committed and fully capable of generating and maintaining wealth."

Recognizing those barriers, we talked about ways colleges could better bridge the gap between entrepreneurship program offerings and diversity, equity, inclusion and belonging (DEIB) efforts. Research shows that if we want to achieve greater equity for underrepresented founders, we must design programs that help them build their businesses and express their identities in new and different ways, but most schools keep these efforts independent, missing out on synergies to best support underrepresented aspiring entrepreneurs.

If we, as educators and administrators, want to make a difference, we have to address the impact of racial and gender identity on entrepreneurship. By creating more small programs designed to uplift specific underrepresented populations, we can begin to effect change, create inclusive ecosystems, and empower students in their entrepreneurial pursuits. These programs do not have to be expensive or complex to implement, and they do not require years or even months of planning to build. We can quickly launch thematic speaker series or targeted mentorship programs to support underrepresented founders. We can allocate a portion of our budgets to providing seed funding, and we can find ways to strengthen our connections to entrepreneurs in our communities.

If we each adopt a "seek action, not perfection" approach and commit to piloting a new, small initiative, our collective action will be a powerful, unified step forward.

Kulikowski: That's so interesting and there is definitely a lot of work to be done, so let's talk about some of the projects you've been working to help level the playing field, especially for youth.

Liguori: I think there are lots of examples where small wins are helping to push us forward, and I think this is very much a scenario where we need lots of small wins as

much as we need some bold, big wins. On the small wins front we've been making headway at Rowan University with our Think Like an Entrepreneur Academy (TLAE), our Startup Opportunity fund, and our pathways program.

The TLAE is a summer program for underrepresented and underprivileged high school students interested in entrepreneurship. We run the program at no cost to the students and they earn college credit through the process. Past cohorts have had the opportunity to learn about the United Nations Sustainable Development Goals directly from U.N. leadership, attend the celebration of Micro, Small and Medium Enterprises day at U.N. headquarters in partnership with the International Council for Small Business, and learn through a peer-to-peer mentoring model that connects them directly with college-student mentors. Over the last six years we've awarded over 1,000 hours of college credit to these deserving, impressive young aspiring entrepreneurs.

The Startup Opportunity Fund competitively fund awards nonequity startup seed funding, ranging from 500 USD to 2,500 USD, to underrepresented aspiring entrepreneurs to help them launch and grow their new ventures. Each year, we offer funding to approximately 30 student founders. A key part of this effort is recognizing that aspiring entrepreneurs need more than just capital, so we also give this group priority access to all on-campus startup events, mentorship by accomplished entrepreneurs and industry leaders, guaranteed space to exhibit at our annual New Venture Expo, podium time to pitch their companies to our industry advisory councils, dedicated co-working and meeting space, and curated invitations to small, peer group lunch-and-learn sessions.

On the big wins front, there's been tremendous improvements to access to free, high-quality, educational resources for aspiring entrepreneurs. I helped support the development and launch of Hewlett Packard's Learning Initiative For Entrepreneurs⁴, or HP LIFE, several years ago and today more than 1.8 million courses have been completed on the platform, by over 600,000 learners, spanning more than 200 countries and territories around the globe. In the U.S. this platform has been especially powerful at the community college level, which means this has really helped provide access to a highly diverse population of Americans.

This year I have been working with the Collegiate Entrepreneurs' Organization to support the curriculum development and launch of Amazon.com's Small Business Academy,⁵ which not only provides free access to high-quality asynchronous learning modules but also synchronous office hours with highly accomplished subject matter experts and a really engaging and thought-provoking podcast. This platform launched in January and is already proving to be a fantastic resource for a very diverse array of entrepreneurs from across the globe.

Kulikowski: That's so exciting. Let's shift a bit and talk specifically about youth. Do you think the current K-12 system in the U.S. helping effectively prepare the next generation of entrepreneurs?

Liguori: That's a tough question. Fundamentally, I believe entrepreneurship education, and more specifically, cultivating an entrepreneurial mindset, is unquestionably critical

for future economic prosperity. I also think we're never too young to begin being exposed to entrepreneurship. K-12 schools have begun embracing entrepreneurship education in a variety of ways. Some have themed the entire school experience after it, like we see at the Patiño School of Entrepreneurship⁶ in Fresno, CA. Others have partnered with NFTE or Junior Achievement to integrate entrepreneurship courses and learning modules into their curricular and co-curricular offerings. And others have hosted startup competitions. The challenge is none of these things seem to be enough to boldly move the needle forward at levels consistent with our societal needs for more and better entrepreneurs and social entrepreneurs. I also think Sir Ken Robinson's 2006 TED Talk emphasizing the need for our education systems to nurture, as opposed to stifle, creativity still holds true today. His talk has been viewed more than 75 million times, and is widely supported in theory, but in practice, not nearly enough has changed. I can't pretend to have all the answers for how to solve this, nor would I claim to possess meaningful expertise on K-12 education, but as someone who regularly interacts with the products of our K-12 education system, I'm glad and eager to help work towards bolder solutions.

Kulikowski: Thank you so much for your time today, Dr. Liguori. Your final remarks really hold true for me, as Art for Hope works directly in K-12 schools supporting the arts, and I live the life of a young entrepreneurs myself every day.

About the interviewer: Ashley Kulikowski is an accomplished entrepreneur, non-profit leader, and artist. She is the Founder of Art for Hope Studio and Fearless Movement and holds a B.A. in Psychology from Rowan University (U.S.). Learn more about Art for Hope Studio at <https://www.artforhopestudio.com>.

(Endnotes)

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