

ACCELERATING IMPACT FOR ENTREPRENEURS



EMORY
UNIVERSITY



TECHNOSERVE

WELCOME TO OUR SESSION!



Social Enterprise at Goizueta (SE@G) is a research center within Emory University's Goizueta Business School. SE@G stimulates innovative market-based approaches to generate positive societal impacts. Our goal is to make markets work for more people, in more places, in more ways.



Technoserve is a nonprofit organization that works with enterprising men and women in the developing world to build competitive farms, businesses and industries. Operating in 29 countries, TNS is a leader harnessing the power of the private sector to help people lift themselves out of poverty by linking people to information, capital and markets.



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WHAT IS AN ACCELERATOR PROGRAM?

Accelerators support early-stage entrepreneurs by providing them with:

- (a) Business development support (e.g. consulting, technology assistance)
- (b) Infrastructure support (e.g. access to office space, shared back-office services)
- (c) Network support (e.g. access to potential customers, investors, mentors)
- (d) Financial support (in the form of grants/ investments)

These programs are typically fixed-term, cohort-based programs that combine education, mentorship and investment for the most promising entrepreneurs selected for participation. ¹



1. *Bridging the Pioneer Gap: The Role of Accelerators in Launching High-Impact Enterprises*

TECHNOSERVE'S ACCELERATOR: IMPULSA TU EMPRESA

Impulsa Tu Empresa provides mentoring, market connections and access to capital that help high-potential SGBs develop and implement promising business plans.

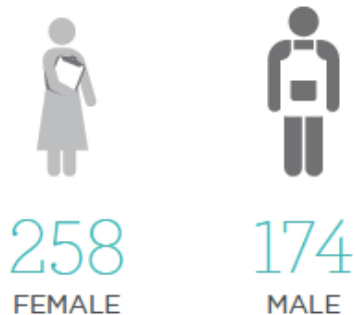
COUNTRY



INDUSTRY SECTOR



FOUNDER GENDER



BUSINESS AGE



WHAT MAKES A BUSINESS ACHIEVE BETTER RESULTS?

Entrepreneurs everywhere face several challenges: accessing talent, overcoming market inertia and government bureaucracy, and securing investment when early-stage capital is scarce.²

If these challenges confront entrepreneurs *everywhere*, what additional challenges do emerging-market entrepreneurs face?



2. "The Big Idea: How to Start an Entrepreneurial Revolution" (Daniel Isenberg, Harvard Business Review, 2014)

WHAT IS THE SECRET INGREDIENT TO ACCELERATE GROWTH?



KEY FACTORS ANALYZED IN OUR RESEARCH STUDY ³



1.

MACRO AND POLICY FACTORS:

Revenue growth improves when market size (country, sector or region) is larger; when (country, sector or region) is growing faster than others; and when there are policies in place that support entrepreneurs



2.

TYPE AND QUALITY OF BUSINESSES AND ENTREPRENEURS:

Revenue growth improves with the quality of the entrepreneurs; and when businesses are more advanced



3.

TECHNOLOGY ORIENTATION:

Revenue growth improves when businesses have access to better technology



4.

SOCIAL CAPITAL FOR ENTREPRENEURS:

Revenue growth improves when there is better entrepreneurial social capital.



5.

ACCESS TO FINANCIAL CAPITAL:

Revenue growth improves when there is better access to financial capital



6.

TECHNOSERVE ADVISORS AND MENTORS:

Revenue growth improves with the quality of mentors/advisors; with the level of mentor/advisor motivation; and with the level of affinity between entrepreneurs and mentors/advisors


> KEY INSIGHTS ABOUT MACRO AND POLICY FACTORS:

Economic conditions at the country level do not fully determine the growth prospects of a country's entrepreneurs.

Guatemala, the country with the best average revenue growth outcomes, also fares well on several global business climate rankings. However, Nicaragua—the country with the second-best average revenue growth outcomes—fares very poorly in these rankings.

The overall pattern of business growth outcomes suggests that there is no clear correlation between a country's business climate conditions and the growth prospects of its entrepreneurs.





> KEY INSIGHTS ABOUT TECHNOLOGY ORIENTATION:

Revenue growth prospects are higher among medium and high-tech businesses.

Growing businesses should be encouraged to adopt at least a minimal level of back-office technology.

Entrepreneurs that build their businesses using more sophisticated communication technologies tend to achieve more positive revenue growth outcomes.

> KEY INSIGHTS ABOUT SOCIAL CAPITAL:

A large majority of entrepreneurs are not satisfied with their current networks and future networking prospects.

Entrepreneurs face several barriers when it comes to developing their business networks, including an under-developed networking culture and sparse business and geographic landscapes.

Satisfaction with current and expected future social capital outcomes is not related to positive revenue growth outcomes.

The stated concerns about networking and network building are not translating into louder and clearer demands for networking support.

Confecciones, Bordados, Ser y Artículos Promocional







> KEY INSIGHTS ABOUT ACCESS TO FINANCIAL CAPITAL:

There is no strong evidence that investment aspirations or the ability to access capital are strong predictors of short-term revenue growth.

The main differentiating factor between growing and non-growing businesses is in their willingness to seek out financing.

Diminished willingness to seek out loans could be due to several well-documented barriers, or simply to the fact that non-growing companies are not yet ready for outside finance



> KEY INSIGHTS ABOUT ADVISORS AND MENTORS:

Male and female advisors/mentors are equally effective, on average.

The heightened affinity that comes from same-gender pairings tends to produce better outcomes.

Simple satisfaction with program mentors does not correspond with superior business growth.

Growth-oriented advice tends to focus on high-leverage topics like strategy, planning and marketing.



WHAT'S NEXT FOR ACCELERATORS?⁴

- (a) Develop recruiting and selection processes with increasing attention to entrepreneurs themselves, not only their businesses.
- (b) Support Initiatives that create more supportive ecosystems - which also protect entrepreneurs from the repercussions of failed ventures.
- (c) Implement relevant business technologies that catalyze business performance in emerging markets.
- (d) Continue data collection from cohorts for further analysis, close monitoring of sector trends, and best practices tested in other similar programs.



LEARN MORE ABOUT ACCELERATOR PROGRAMS

(a) The Entrepreneurship Database Program

www.entrepreneurdata.com

Helping accelerators track the impact they have on the entrepreneurs they support.

(b) Global Accelerator Learning Institute (GALI)

www.galidata.org

Hundreds of accelerators around the world support early-stage entrepreneurs. GALI exists to investigate their effectiveness.

(c) Aspen Network of Development Entrepreneurs (ANDE) **www.aspeninstitute.org**

Global network of organizations that propel entrepreneurship in emerging markets.

(d) Start:ME Accelerator Program

www.startmeatl.org

An intensive 14-week business training program for promising local small businesses operated by Emory University in local metro Atlanta communities.

(e) Impulsa tu Empresa Accelerator Program

www.impulsatuempresa.org



THANK YOU!



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