



SISTEMA ECONÓMICO LATINOAMERICANO Y DEL CARIBE



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Zinergy International Group
Women Entrepreneurs Network
of the Caribbean (WENC)

Seminar on Entrepreneurship

“Towards the Creation of an Entrepreneurial-Driven Economy – Demystifying the Journey

Objective:

1. To promote exchange of entrepreneurial experiences
2. Analyze the progress of regional entrepreneurship
3. Consider the prospects and features for dynamic enterprises
4. Suggest new mechanisms for financing the entrepreneurship process

What is entrepreneurship?

- “Any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business.” (Reynolds et al.,
- 1999, p. 3)

Why is Entrepreneurship Important?

- Creates new jobs
- Generates revenue
- Advances innovation
- Enhances productivity
- Improves business models and processes

**Focus: DRIVING REGIONAL ECONOMY THROUGH
ENTREPRENEURSHIP**

GEM Economies in the LAC & Caribbean by economic level, 2014

<i>Factor-driven Economies</i>	<i>Efficiency-driven Economies</i>	<i>Innovation-driven Economies</i>
Bolivia	Argentina, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Peru, Suriname, Uruguay	Puerto Rico, Trinidad and Tobago

Perception of social values toward entrepreneurship in the GEM economies in 2014

	<i>Entrepreneurship as a good career choice</i>	<i>High status to successful entrepreneurs</i>	<i>Media attention for entrepreneurship</i>
Barbados	57.6	58.5	46.3
Colombia	70.5	67.1	74.4
Jamaica	83.5	84.0	83.9
Puerto Rico	18.5	51.1	72.7
Trinidad and Tobago	79.5	69.5	65.6
Average for LAC & Caribbean	66.8	64.6	67.3

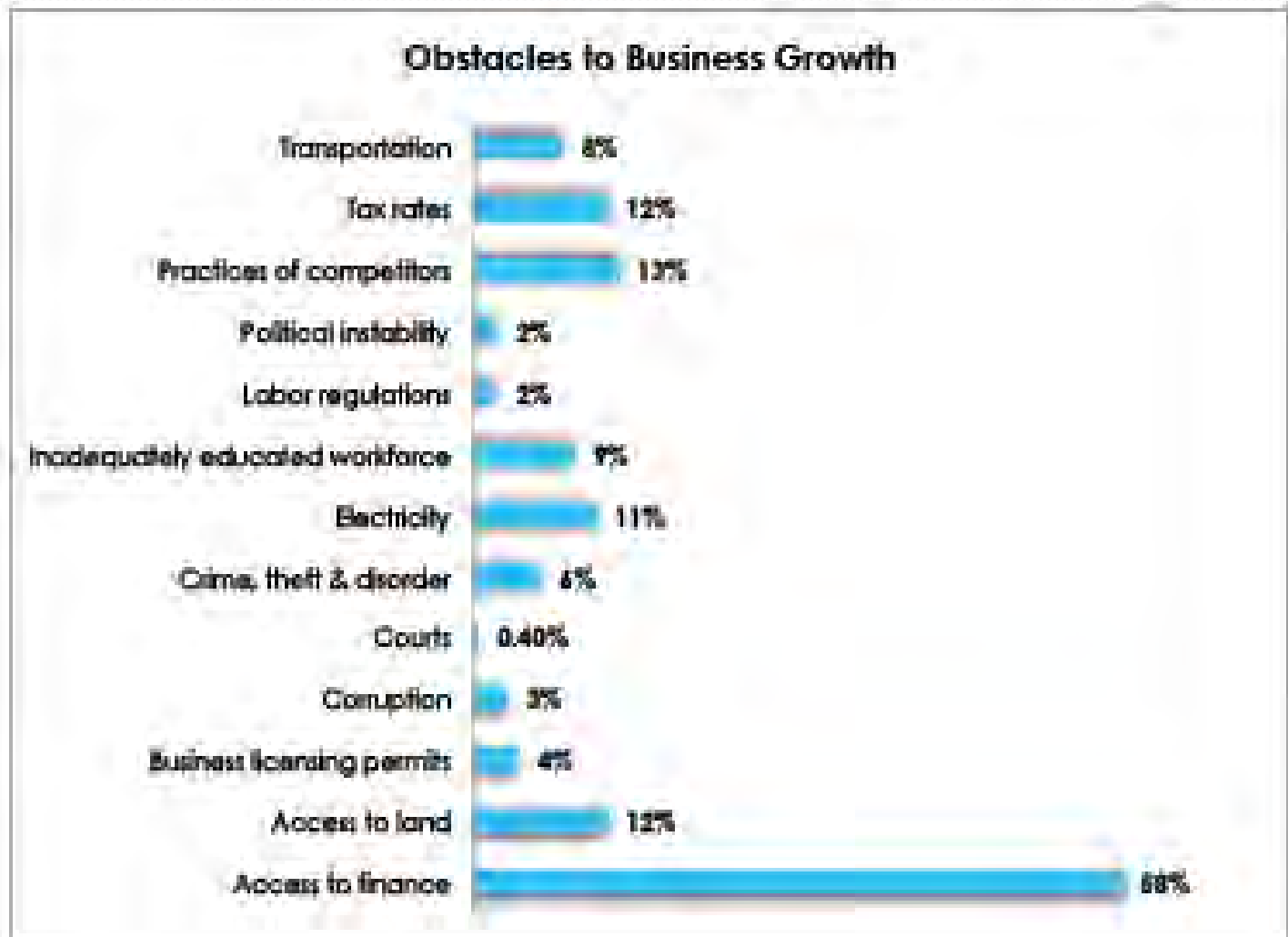
Individual attributes in the GEM economies in 2014

	<i>Perceived opportunities</i>	<i>Perceived capabilities</i>	<i>Fear of failure</i>	<i>Entrepreneurial intentions</i>
Barbados	38.2	63.5	23.4	11.5
Colombia	65.7	57.4	30.7	47.0
Jamaica	57.0	81.2	22.0	35.3
Puerto Rico	25.1	48.8	24.0	12.5
Trinidad and Tobago	58.6	75.2	16.8	33.9
Average for LAC & Caribbean	49.4	64.5	27.7	28.8

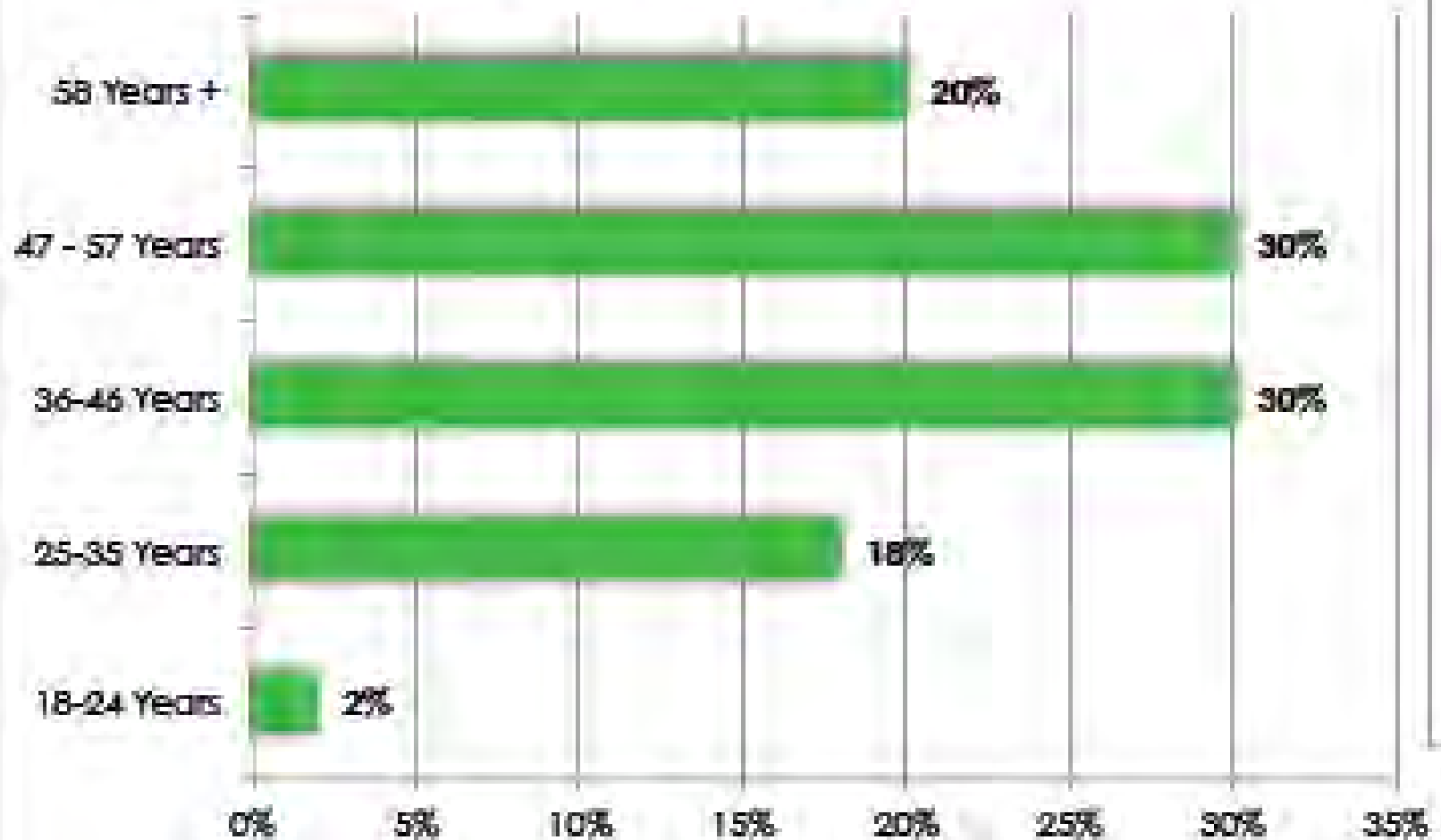
Caribbean Survey

- Conducted region wide entrepreneurship needs Survey
- 571 participants out of the 600 target (please see below):

- ✓ Jamaica - 101
 - ✓ TT - 80
 - ✓ SVG - 50
 - ✓ SLU - 76
 - ✓ Bahamas - 75
 - ✓ Guyana - 38
 - ✓ Barbados - 75
 - ✓ Grenada - 76
- TOTAL - 571**



Buisness Owners Age



MYTH # 1

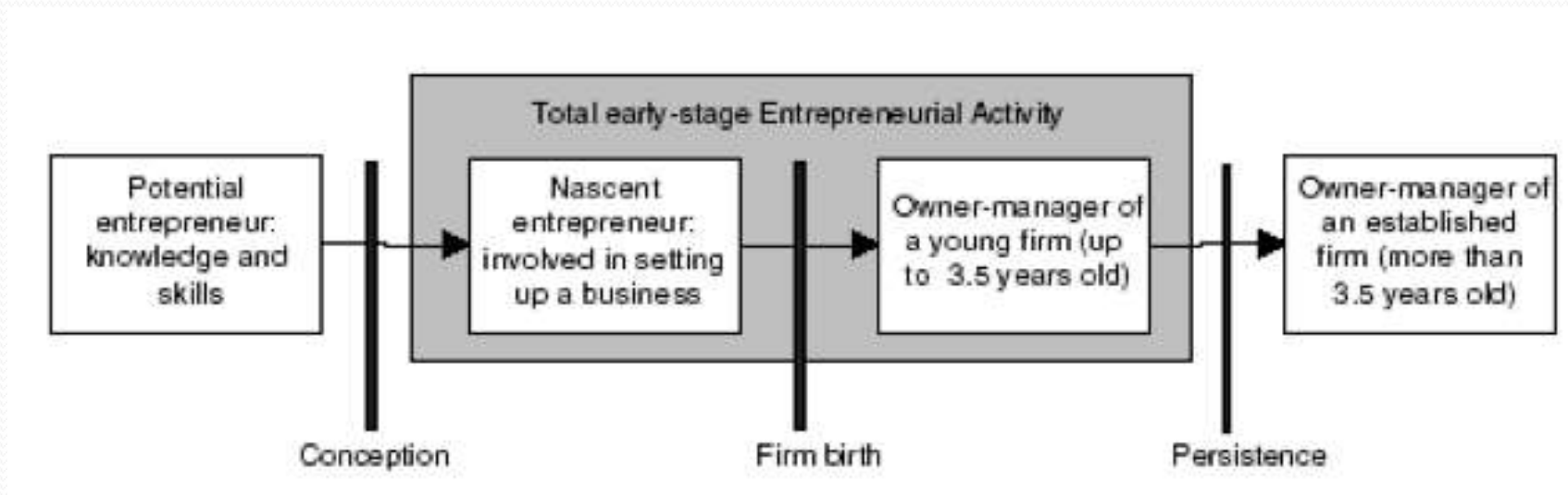
- The age of the successful entrepreneur 36 – 57 yrs old
- How many Mark Zuckerberg.... Segei Brinn ...
- How many successful business get started in a garage or living room... or the office of your last job?

GEM Indicators

Total Entrepreneurial Activity Index (TEA)

- The main measurement of GEM is the (TEA)
- Made up of individuals aged 18-64 who have already started their business and are in one of the two initial stages:
 - Nascent entrepreneurs or
 - New Entrepreneurs

GEM Entrepreneurial Phases



GEM identifies different phases in the entrepreneurial process. Early-stage entrepreneurial activity (TEA) is the phase centred around the birth of the firm; it includes the *pre-start-up* phase.

Phases of entrepreneurial activity in the GEM economies in 2014

	<i>Nascent entrepreneurship rate</i>	<i>New business ownership rate</i>	<i>Early-stage entrepreneurial activity (TEA)</i>	<i>Established business ownership rate</i>	<i>Discontinuation of businesses (% of TEA)</i>
Barbados	8.5	4.2	12.7	7.1	3.7
Colombia	12.4	6.7	18.5	4.9	5.6
Jamaica	7.9	11.9	19.3	14.4	6.3
Puerto Rico	8.8	1.3	10.0	1.3	3.6
Trinidad and Tobago	7.5	7.4	14.6	8.5	2.8
Average LAC & Caribbean	11.4	6.7	17.6	8.0	5.4

The GEM Pipeline

- 6 Phases of the entrepreneurial pipeline:
 - Socio Cultural Acceptance
 - Potential entrepreneurship
 - Entrepreneurial intentions
 - Nascent activity
 - New Entrepreneurs
 - Established business ownership

Socio Cultural Acceptance

- Socio Cultural Acceptance
 - measures the amount of people that have a positive perception about entrepreneurship

Potential entrepreneurs

- Potential entrepreneurs are defined as those who consider they:
 - Are able to perceive opportunities in the area of living
 - Have the necessary skills and capabilities to create and start a new business
 - Have the capacity to overcome the fear of failure

Intentional Entrepreneurs

- Potential entrepreneurs who express their intentions to pursue a business opportunity alone or with others within the next 3 years

Nascent entrepreneurship

- People have started to do specific activities in setting up a business they will own or co-own;
- This business has not paid salaries, wages, or any other payments to the owners for more than 3 months.

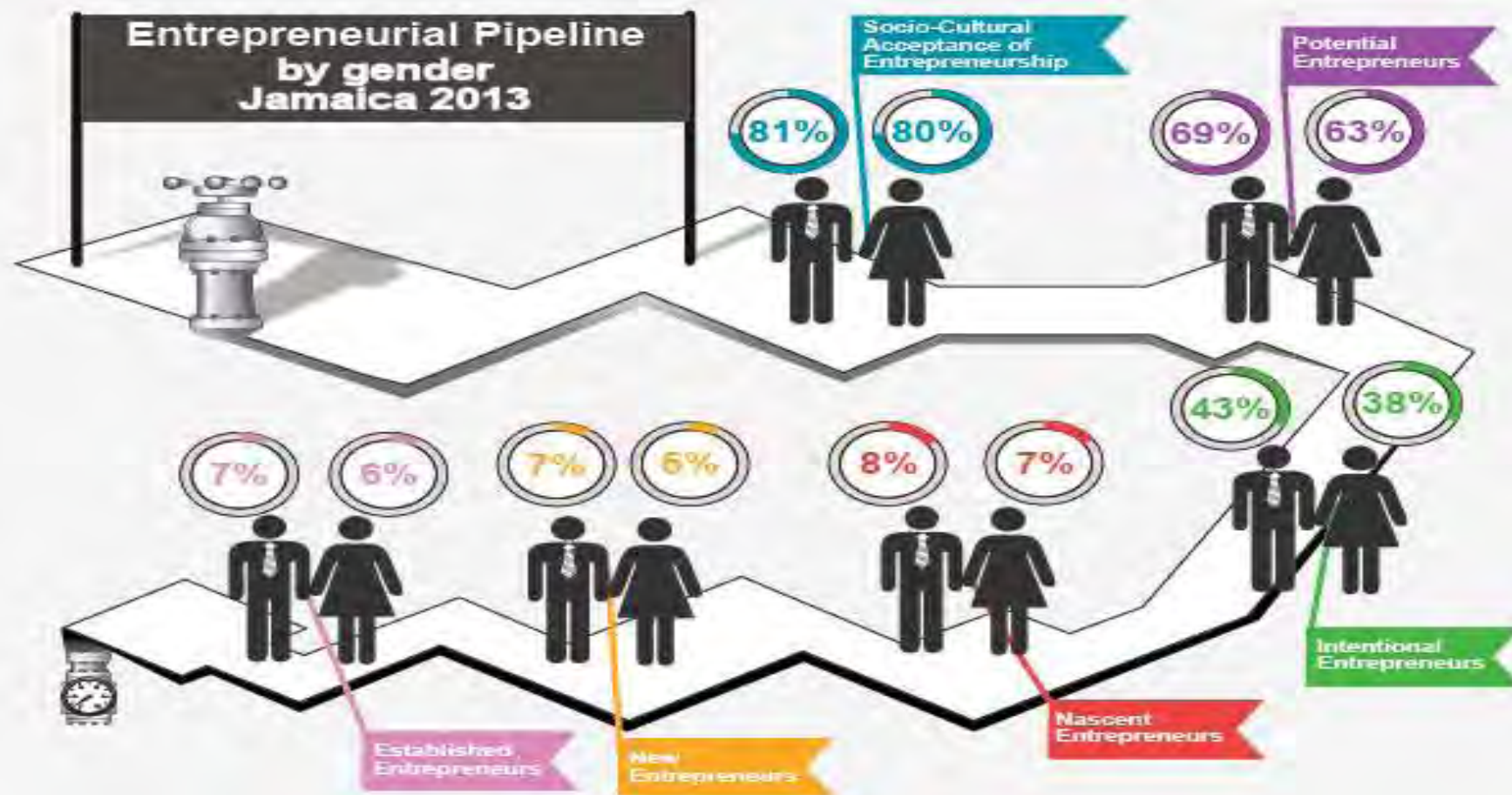
New Entrepreneurs

- People owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than three months, but not more than 42 months.

Established business ownership

- People owning and managing and running a business that has paid salaries, wages, or any other payments to the owners for more than 42 months.

Jamaican entrepreneurial pipeline



Source: GEM Caribbean 2013

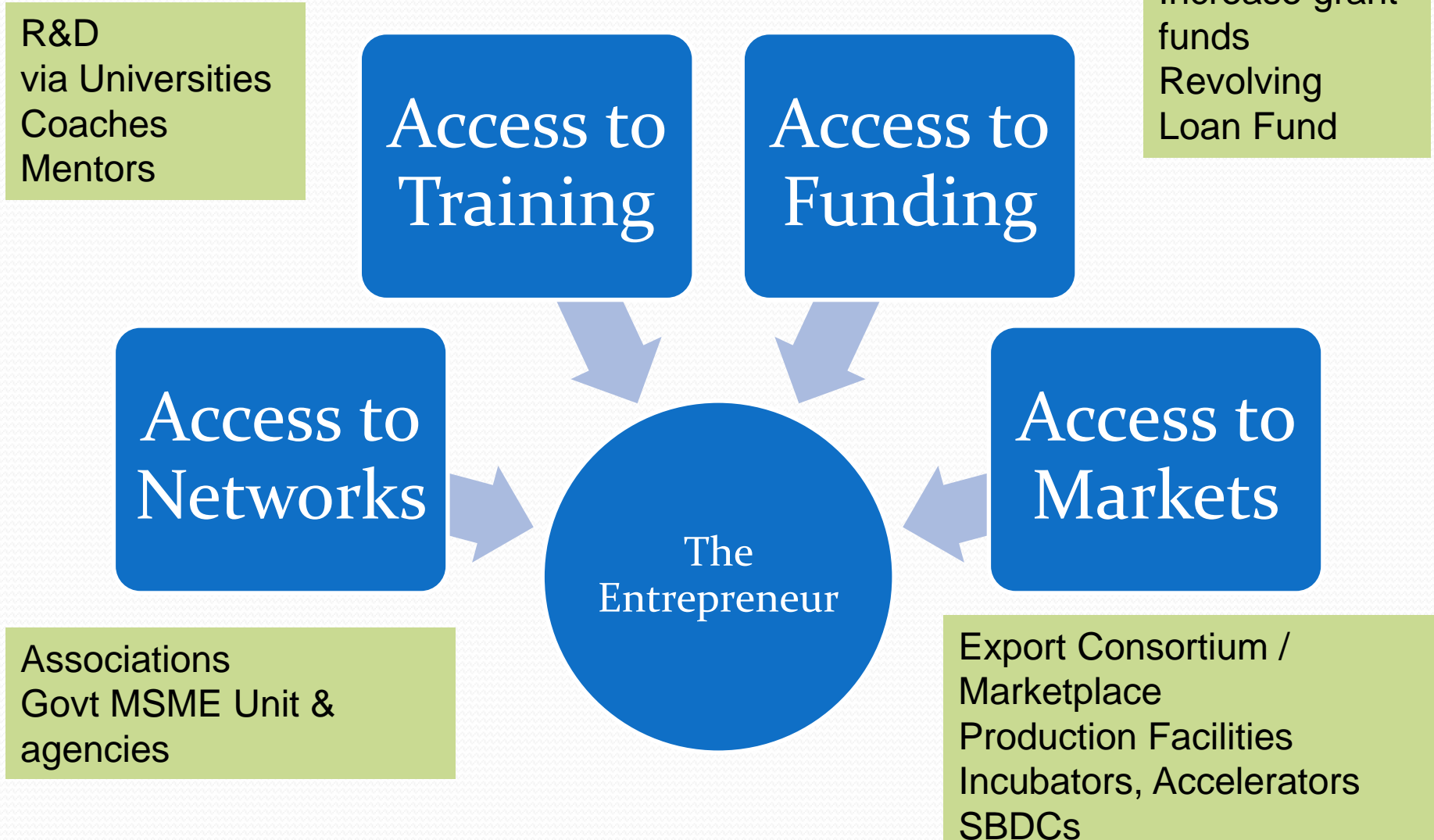
MYTH # 2

- There has been progress in establishing viable, fairly healthy ecosystems
 - Businesses
 - Business Support Organizations (government and non governmental; associations etc
 - Active educational entrepreneurial television shows, magazines
 - Introduction of incubators, accelerators, SBDCs etc
 - Formal entrepreneurial education in school system in some countries

MYTH # 3

- Only 1 path or permutation can be successful
 - Incubator
 - Businesses
 - Accelerators
 - SBDCs etc
 - Working through Associations

Recommendations



Recommendations

- Strengthen the Entrepreneurial Ecosystem
 - MSME Gove unit and agencies to include:
 - Coaching & Mentorship by Entrepreneurs who have failed
 - Ensure evaluation & monitoring component create more New and Established Business Ownership in the pipeline
- Financing
 - Revolving Loans Funds through Associations with credibility, intimate knowledge of the entrepreneur and his/ her business (Gramene Bank example)
 - Mutual Guarantee infused offerings

Recommendations

- Export Consortium:
 - to lobby & negotiate markets, contracts beneficial to business owners and establish productive relationships
 - Address constraints e.g. energy costs, ...
 - Supermarket conglomerates in US, Europe, Caribbean
 - Receivables terms 30 -45 days ...
 - Credit & risk concerns ...