



SMALL BUSINESS HORIZON



BUILDING BRIDGES FOR A
SUSTAINABLE FUTURE

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As we present the latest edition of Small Business Horizon, we are thrilled to explore this year's theme, Building Bridges for a Sustainable Future. In a world where challenges persist for micro, small, and medium enterprises (MSMEs), the focus on sustainability has taken on new dimensions. It's about creating business practices that endure, adapt, and thrive amid ever-changing economic landscapes.

Sustainability in business means fostering resilience. For MSMEs, it's the ability to navigate turbulent times, maintain strong customer relationships, and create value that lasts. This issue highlights stories from experts and entrepreneurs who've not only survived but also built strategies for long-term success by embedding sustainability into their operations, and demonstrate that resilience and sustainability go hand in hand.

This theme also invites us to rethink collaboration. Building bridges is about creating networks of support—whether between businesses, industries, or communities—that amplify collective strength. Sustainable practices are no longer optional but essential for growth in today's world. We thrive when we celebrate the innovation and adaptability of small business leaders committed to forging a sustainable future.

Together, let's continue to build the bridges that ensure the success of small businesses everywhere.



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NAVIGATING IN THE SUSTAINABILITY DIRECTION: ESG AND FIRMS PERFORMANCE

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Abstract

In recent years, the methods for assessing the impact of investing in companies with substantial environmental, social, and governance (ESG) practices have undergone significant transformation. This evolution mirrors the earlier shift towards measuring the value of knowledge in businesses. Initially, companies focused on quantifying the impact of knowledge. Over time, they realized that embedding knowledge practices into their operations spurred innovation and growth better than simply measuring impact.

Similarly, we must aim to standardize ESG measurements and acknowledge that ESG practices can be both sustainable and profitable, and their intentional implementation will lead to long-term success.

Why The Focus on ESG

A major shift towards broader accountability in business has emerged over the last decade, driven by a focus on the

human dimensions of business and the demand for solutions that create economic growth while respecting the environment and society. Much like the rise of the knowledge economy whose beginning focused on understanding knowledge returns, this shift now seeks to

measure the value of ESG factors. History shows that embedding ESG factors into core business activities fosters innovation and long-term growth. This is because ESG encompasses Environmental, Social, and Governance. It focuses on a company's impact on

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nature (Environmental), its treatment of employees and the community (Social), and its internal management and compliance practices (Governance). Introduced in 2006 by the UN's Principles for Responsible Investment, ESG factors have gained prominence, with significant growth in assets managed under ESG criteria. This section explores various interpretations and applications of ESG across industries.

Environmental (E)

Environmental factors examine how a company's operations impact the natural world. This includes energy usage, waste management, pollution control, and resource conservation. For example, Tesla's commitment to producing electric vehicles aims to reduce global carbon emissions, making it a leader in environmental sustainability.

Social (S)

Social factors assess a company's relationships with its employees, customers, and communities. This can include labor practices, community engagement, and human rights policies. An example is Patagonia, which focuses on fair labor practices and donates a significant portion of its profits to environmental causes.

Governance (G)

Governance factors examine a company's internal systems and practices, such as board diversity, executive pay, and compliance with laws. Strong governance can lead to better decision-making and risk management. Johnson & Johnson's commitment to transparency and ethical practices illustrates good governance, bolstering its reputation and trust with consumers.

Measuring ESG Value

Various frameworks and rating agencies evaluate ESG performance, similar to the early diverse methods in the knowledge economy. The World Economic Forum and major accounting firms have developed 22 specific metrics aligned with the UN's Sustainable Development Goals to standardize ESG measurements. However, competing frameworks and indices, like those from MSCI, Sustainalytics, and others, often lead to differing evaluations of companies, creating confusion. Despite this, ESG-focused companies generally outperform others due to solid fundamentals and stakeholder demand for sustainability.

Frameworks like the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) provide guidelines for ESG reporting. Each offers a unique approach: GRI focuses on sustainability impacts, SASB on industry-specific standards, and TCFD on climate-related financial risks. For example, Microsoft uses TCFD recommendations to report its climate risks and opportunities, showcasing its commitment to transparency.



ESG ratings and indices by agencies like MSCI, Sustainalytics, and FTSE Russell offer comparative evaluations of companies' ESG performance. However, discrepancies in methodologies can lead to varied results. For instance, a company might receive a high rating from MSCI for strong environmental practices but score lower with Sustainalytics due to governance issues. Despite these differences, these ratings are crucial for investors aiming to integrate ESG criteria into their decision-making processes.

ESG is Here to Stay Because It Works

ESG practices are here to stay, supplementing traditional financial metrics by focusing on long-term impacts. Studies show that companies with strong ESG practices achieve better long-term growth, reduced regulatory issues, and innovation opportunities. ESG investing encourages redesigning products and processes to lower costs and environmental impact, de-commoditizing value chains. Accounting standards are evolving to integrate ESG performance into business strategies.

Companies adopting ESG practices can mitigate risks, enhance brand reputation, and attract loyal customers. For instance, IKEA's initiative to use only renewable and recycled materials by 2030 has positioned it as a company focused on sustainability, boosting customer loyalty and market share.

Unilever, a multinational consumer goods company, has embraced ESG principles deeply. It ranks highly across various ESG indices due to its comprehensive sustainability plan, which includes reducing plastic waste, improving labor conditions in its supply chain, and enhancing governance structures. This commitment has improved its ESG ratings and driven long-term financial performance, illustrating the synergy between sustainability and profitability.

ESG can drive innovation by encouraging companies to develop sustainable products and services. For example, Beyond Meat's development of plant-based meat alternatives addresses environmental concerns about meat production while tapping into a growing market. This innovation aligns with ESG goals and opens new revenue streams.

A Call For Action Looking at the Future

Early ESG investors will see benefits over time. The key is recognizing that ESG investments are not a trade-off but a path to positive long-term outcomes for investors, society, and the environment. Developing a transparent metric system is essential for eliminating confusion and realizing the total value of ESG practices.

To harness the full potential of ESG, stakeholders must push for standardized metrics and greater transparency. Companies should integrate ESG into their core strategies, investors must demand ESG disclosures, and regulators must enforce consistent reporting standards. Regulations are increasingly favoring ESG integration. The EU's Sustainable Finance Disclosure Regulation (SFDR) requires asset managers to disclose how they consider ESG factors in their investment decisions. This regulatory push is compelling companies to adopt more transparent and sustainable practices, ensuring they remain competitive and compliant. This collective effort will drive sustainable growth and innovation.

The future of ESG lies in its integration into mainstream business and investment strategies. As ESG metrics become more standardized and transparent, companies that excel in these areas will lead the way in sustainable growth, setting new benchmarks for others to follow.

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Circular Economy



Societal

520+

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Sustainable Development

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JICSB Issue II highlights the challenges of MSME sustainability, a critical topic for meeting the UN's 2030 Development Goals. Now being released while much of the global community still exists in the midst of the crisis, the topic of sustainability is even more important. Share your research as we move through the social and economic recession with the release of government programs. Share your views on what you believe will be needed at the level of policy and practice.

You can submit an idea for a research paper or case study, and the Editor will review it within 48 hours and send you a **RESPONSE** if considered for immediate publication in the next issue.

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PROMOTING SUSTAINABLE AND SCALABLE ENTREPRENEURSHIP IN UNIVERSITIES: PERSPECTIVE FROM SOUTH AMERICA

RUBÉN ASCÚA, MATÍAS VIGNOLO
AND ANDREA MINETTI.

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 innovations.¹

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

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 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.

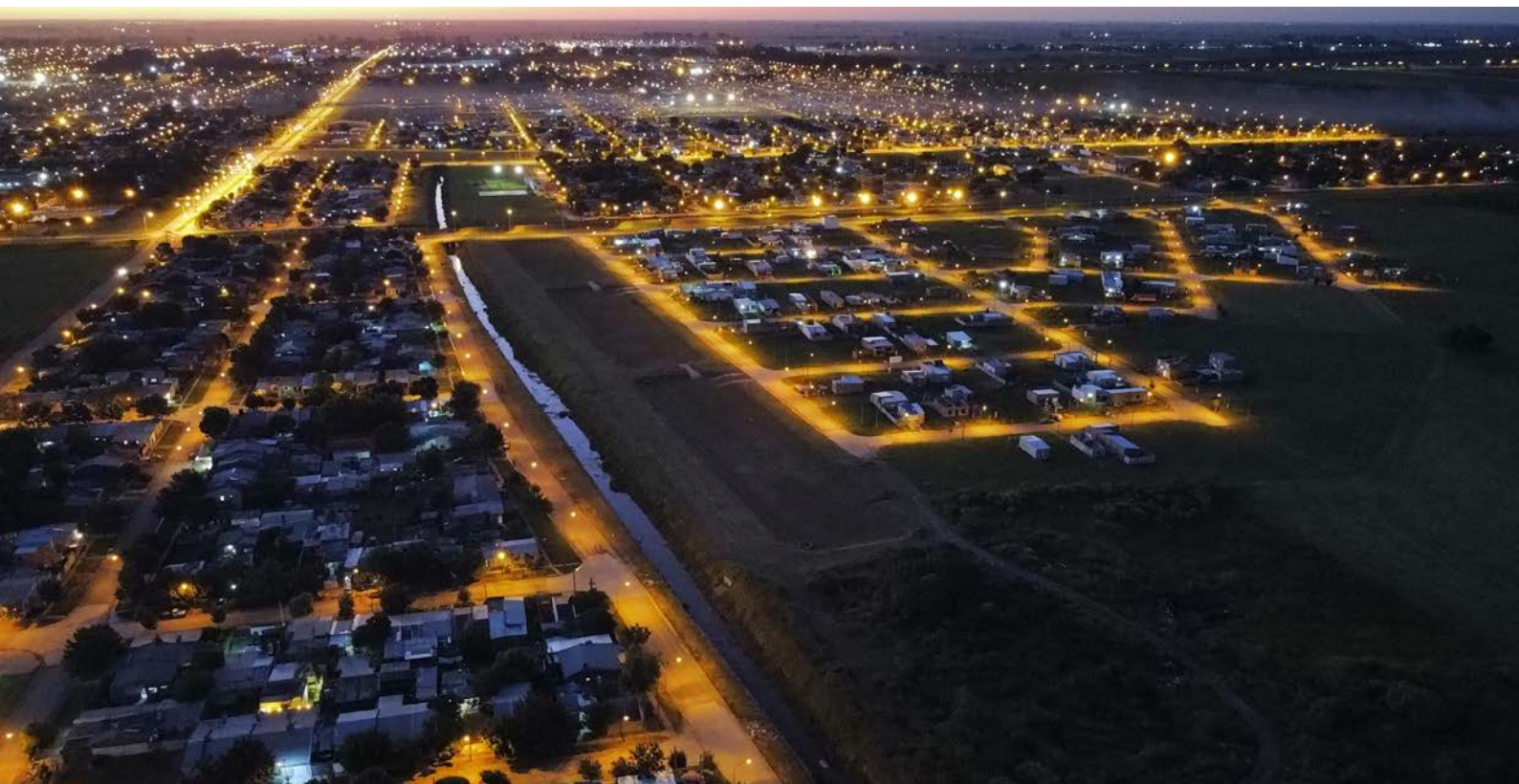
Previous training was considered essential

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 financ-

ing, 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.

72% OF THOSE SURVEYED CONSIDERED THE POSSIBILITY OF CREATING THEIR OWN COMPANY, SHOWING CONFIDENCE IN ACQUIRING THE ENTREPRENEURIAL VOCATION AND FACING RISKS.

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.

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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

Almost all practitioners and most scholars agree that if local economies are indeed ecosystems and that healthy ecosystems need increasing connectivity. Connectivity requires connecting. Connecting requires connectors. If we have learned anything from entrepreneurial ecosystems, it is that. Moreover, That becomes doubly true if we seek to be more inclusive and more sustainable (e.g., Gueneau, et al. 2021; Zebryte 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 Nation’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 if they believed that great entrepreneurial connectors arise spontaneously.

Connecting and connectors do not exist in a vacuum, whether the exogenous connections between ecosystems or the endogenous connections within ecosystems. 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-animators arise spontaneously.

Thought leaders like Startup Genome argue persuasively that this connectivity (see also early work by the Ewing Marion

Kauffman Foundation) is a powerful linchpin for healthy entrepreneurial ecosystems.

While there is sound research that supports what we should see, 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. We also see how practitioners have identified useful tools.

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 Startup Genome, the Global Entrepreneurship Model, TechStars, Startup Commons, et al. 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? First, we need to explain what 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 discuss 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 passive vs active brokers/connectors, as biased toward one connection vs unbiased vs seeing the interaction as a way to reap personal benefit. (or to be more nuanced, 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 iungens*, *tertius gaudens*), drawing on structural hole models.

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. (The *iungens* type are also intrinsically motivated.) As such, it is important that critical resources have more than one connection. It might also argue that we need to teach more and more people how to be 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 as heterarchy or part of one 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 incapable criticality of the meso layer (Theodoraki & Messeghem 2017; Theodoraki & Cantazaro 2022). What might push those operating at the meso level to differ in thinking and behavior?

Consider a connector who carefully guards access to a resource. They 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 note that the best practices that they observe tend to be more

PRACTITIONERS LIVE THE ISSUES THAT WE ARE DISCUSSING AND SHOULD MAKE IDEAL INFORMANTS AS THIS STREAM OF RESEARCH MOVES FORWARD.

prevalent in communities that support bottom-up development that focuses on the entrepreneurs and innovators. 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.

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; also Light and Dana, 2013). As Granovetter noted, 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 & Macmillan, 1992; McGrath, et al. 1992). Similarly, Mitchell showed how 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). This would suggest that linkages need not be influenced by even strong cultural norms. TechStars (Le, 2022) studied their super-connectors across their global organization and the patterns of connectivity were not terribly different.

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, or Zimbabwe.

DO CONNECTORS BEHAVE DIFFERENTLY ACROSS DIFFERING SOCIAL AND CULTURAL NORMS?

Thus, another potential force for more homogeneous linkage models is the globalization of dominant financing models. The venture capital/unicorn model appears to be 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 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 experien-

tial 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-lead with Professor (and ICSB president) Ayman El-Tarabishy. It was co-created by ten global scholar-educators from Africa, North 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 here: 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 here: <https://docs.google.com/document/d/1De8Va8DT-3vMqFbxWYw-PBsDLq0UiNOlq2NBQe6dZMwU/edit>

Also in 2022, Lithuania joined this with an intensive 10-day social innovation class at ISM in Vilnius for its renowned masters in global leadership (Yet again, easily adaptable to undergraduate,

primary/secondary, and adult education audiences.) Syllabus here: https://docs.google.com/document/d/14af_LpexcM-6jW7ushskcUPuPGATjncwe/edit?usp=share_link&oid=110833166844961628200&rt-pof=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. Students not only learn about how to grow a healthy entrepreneurial ecosystem and how to become a liaison-animator themselves but 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 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?

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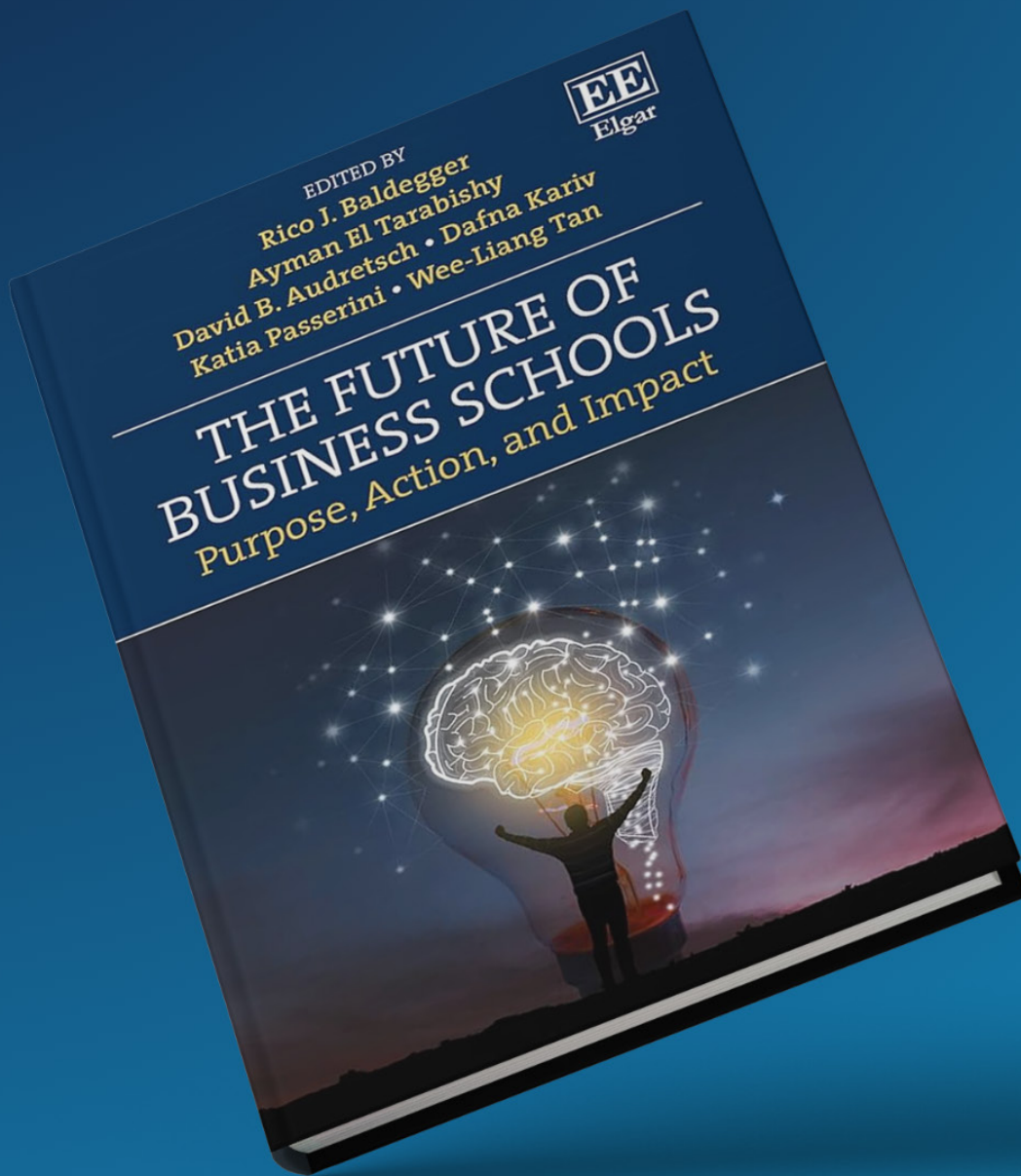
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6. Circular Economy Business Models – Sustainability Takes Center Stage
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THE GENDER GAP IN MSME'S FINANCING:

*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:

- *Limited access to business education opportunities and networks.*
- *Social and cultural norms underlying gender biases.*
- *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 insti-

tutions 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-in-

come 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 regis-

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.

ter 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.

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.

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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President Review:

Since its founding in 1953, the SBA has been a cornerstone for MSME growth and prosperity. At that time, MSMEs lacked meaningful support from any government entity. ICSB, established just two years later in 1955, recognizes the significance of this milestone.

What sets the SBA apart is its comprehensive portfolio of services and unwavering consistency. It truly embodies the essence of a Lighthouse for MSMEs and entrepreneurs. The SBA's dedication to guiding and supporting these enterprises through challenges is unmatched.

Notably, the SBA has been an early advocate for the UN MSMEs Day. Two SBA Administrators spoke at the UN through the ICSB's invitation, further solidifying their commitment to advancing the MSME ecosystem nationally and globally.

www.sba.gov

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO)

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO), established on 11 March 2016, is dedicated to making Australia the ideal place to start, grow, and transform a business. ASBFEO achieves this by providing support and advocacy for small businesses and family enterprises, recognizing the profoundly personal and significant contributions of over 2.5 million such companies to Australia's prosperity, well-being, and community.



President Review:

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) stands out for its rapid establishment and bold vision to become a national, comprehensive support system for MSMEs. Established with remarkable speed, ASBFEO has demonstrated an unparalleled ability to adapt and address the pressing needs of small businesses and family enterprises, setting a new benchmark in advocacy and support.

What truly sets ASBFEO apart is its courage to tackle challenging issues others overlook. By bringing critical topics to the forefront, the organization ensures that the voices of entrepreneurs and small businesses are heard, driving meaningful and positive change. Their unwavering commitment to support and action has made ASBFEO an authentic lighthouse for Australian MSMEs, providing guidance through challenges and delivering impactful solutions.

ASBFEO's leadership extends beyond national borders, as demonstrated by its groundbreaking support for the United Nations MSMEs Day at the OECD in 2023. As the first to champion this initiative globally, ASBFEO exemplifies its mission to drive change and advocate for MSMEs. By taking a stand on the global stage, ASBFEO highlights its dedication to small businesses and inspires a worldwide movement to recognize and empower MSMEs as vital drivers of economic and social progress.

www.asbfeo.gov.au

SME Corporation Malaysia

Established in 1996, SME Corporation Malaysia (SME Corp. Malaysia) is the central coordinating agency (CCA) under the Ministry of Entrepreneur & Cooperatives Development (MECD) that coordinates the implementation of development programmes for small and medium enterprises (SMEs) across all related Ministries and agencies. It acts as the central point of reference for research and data dissemination on SMEs and entrepreneurs and provides business advisory services for SMEs.



SME Corp. Malaysia also implements various programmes and initiatives under its auspices, including its annual flagship programmes, such as the SME Annual Showcase (SMIDEX), Enterprise 50 (E50) Award, and Entrepreneurship and SME Week.

As the central coordinating agency (CCA) for the overall SME development in Malaysia, SME Corp. Malaysia coordinates, streamlines, monitors, and evaluates the progress and effectiveness of SME development programmes implemented by 13 Ministries, 5 Sole Agencies, 45 Agencies, and 10 State Governments. The information collected from the relevant Ministries and agencies is reported annually under the SME Integrated Plan of Action (SMEIPA).

President Review:

What sets SME Corporation apart is its diverse range of programs, each designed with a multi-tiered approach that is both unique and impactful. Among these initiatives, the Malaysia Inclusive SME Ecosystem (i-SEE) program stands out as a transformative force in the MSME landscape. This program empowers underserved groups, including B40 communities, rural populations, youth, retirees, women, older individuals, and persons with disabilities (OKU). By fostering the development of innovative products tailored to their specific needs, i-SEE not only uplifts these communities but also creates a more inclusive and dynamic entrepreneurial ecosystem in Malaysia.

The program fosters innovation, drives community transformation, and empowers the economy by providing financial assistance through grants, guidance, and technical support.

ICSB recognizes i-SEE as a best practice for focusing on these vital segments, showcasing how innovation can create lasting impact and build a more inclusive MSME ecosystem.

www.smecorp.gov.my

The Small and Medium Business Development Agency of the Republic of Azerbaijan (KOBIA)

KOBIA was established in 2017 to enhance the investment and business environment in the country, improve the system of regulation of entrepreneurship and implementation of effective coordination, enlarge the role and competitiveness of small and medium enterprises in the country's economy, adapt the management system in this field to modern requirements, expand access opportunities for SMBs to financial resources and institutional support mechanisms, strengthen the legal guarantee of entrepreneurship.



KOBIA provides support and services to micro, small, and medium enterprises and those seeking to launch their own business in the fields of information, advice, training, legal assistance, coordination with other state structures, boosting access to markets and financial resources, and protecting the interests of entrepreneurs.

President Review:

KOBIA, the Small and Medium Business Development Agency of the Republic of Azerbaijan, has emerged as a leader in MSME support through a carefully crafted strategy that blends global insights with local innovation. Before launching their programs, KOBIA conducted extensive research on successful small business associations worldwide, identifying best practices that could be adapted to Azerbaijan's unique economic landscape.

What makes KOBIA stand out is its ability to tailor these global lessons to the needs of Azerbaijani MSMEs, creating customized solutions that resonate locally. Once these foundations were established, they moved beyond adaptation to develop new, innovative programs that address challenges in real time and anticipate future needs. This deliberate research, adaptation, and creation process is a global best practice in MSME development.

Their impact has been far-reaching, culminating in hosting COP29, which placed Azerbaijan at the center of global climate discussions, and launching the Joint Declaration on the Baku Climate Coalition to lead the green transition for SMEs. These milestones highlight KOBIA's commitment to MSME empowerment and advancing sustainability and climate resilience.

smb.gov.az/en/nav/faq

Business Assistance and Advisory Services for Micro, Small, and Medium Enterprises (MSMEs) in Fiji

Business Assistance Fiji (BAF) is a company limited by guarantee that supports economic growth by fostering the development of the Micro, Small, and Medium Enterprises (MSME) sector in Fiji. With a mission to address the needs of MSMEs through high-quality business information, advice, and tailored services, BAF provides advisory support, training, and accessible funding options to help businesses thrive.



The organization actively participates in policymaking, promotes the inclusion of women, youth, and differently-abled groups in business, and advocates for the interests of MSMEs at national and international forums. BAF collaborates with government, donor agencies, and financial institutions to enhance the business regulatory environment, secure funding opportunities, and facilitate networking and idea-sharing platforms for MSME growth. Guided by a dedicated team—including specialists in business services, accounting, IT, and communications—BAF remains a key player in driving entrepreneurship and innovation in Fiji.

President Review:

While much of the global conversation revolves around MSMEs, its unwavering focus on micro-businesses sets Business Assistance Fiji (BAF) apart. These smallest enterprises often form the backbone of communities, driving grassroots economic development and creating opportunities for individuals to uplift their livelihoods. When the International Council for Small Business (ICSB) established MSMEs Day at the United Nations, the letter “M” emphasized the critical importance of micro-businesses alongside small and medium enterprises. BAF exemplifies this focus, demonstrating how targeted micro-business support can bring broader economic and social impact.

BAF’s dedication goes beyond providing internal support. They operate with a global perspective, actively learning from and contributing to international best practices in entrepreneurship and business development. This outward-looking approach ensures that Fijian businesses benefit from and contribute to global MSME advancement.

businessassistancefiji.com

The Small and Medium Business Development Agency of the Republic of Azerbaijan (KOBİA)

KOBİA was established in 2017 to enhance the investment and business environment in the country, improve the system of regulation of entrepreneurship and implementation of effective coordination, enlarge the role and competitiveness of small and medium enterprises in the country's economy, adapt the management system in this field to modern requirements, expand access opportunities for SMBs to financial resources and institutional support mechanisms, strengthen the legal guarantee of entrepreneurship.



KOBİA provides support and services to micro, small, and medium enterprises and those seeking to launch their own business in the fields of information, advice, training, legal assistance, coordination with other state structures, boosting access to markets and financial resources, and protecting the interests of entrepreneurs.

President Review:

KOBİA, the Small and Medium Business Development Agency of the Republic of Azerbaijan, has emerged as a leader in MSME support through a carefully crafted strategy that blends global insights with local innovation. Before launching their programs, KOBİA conducted extensive research on successful small business associations worldwide, identifying best practices that could be adapted to Azerbaijan's unique economic landscape.

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smb.gov.az/en/nav/faq

TOP TEN TRENDS IN THE MIDDLE EAST

Discover the dynamic shifts shaping MSMEs in the Middle East! From the rise of sustainability and ethical practices to the power of youth driving business innovation, Ahmed Osman highlights the region's top ten transformative trends.

1. The Power of Youth is a Force for Good in Business
2. Entrepreneurs Going ALone and SMEs Seeking to Scale
3. The Growth of Customer Loyalty
4. Pan – Arab Trading is a Must, Let’s Grow Together
5. Creative Financing Allows MSMEs to Scale
6. The Positive Effect of Podcasts on MSMEs
7. AI For Small Businesses Becomes The Norm
8. Customer Convenience is King
9. MSME Commerce Shifts Online
10. The Rise of Sustainability and Ethical Business Practices

READ MORE AT
[ICSB.ORG/ICSB-TRENDS/MIDDLE-EAST](https://icsb.org/icsb-trends/middle-east)

INTERNATIONAL COUNCIL FOR SMALL BUSINESS

PRESENTS



The International Council for Small Business (ICSB) is proud to announce the recipients of the ICSB Golden Book Awards for 2024, recognizing the Top Five Essential Books of 2024. These books stand out as the pinnacle of thought leadership, innovation, and impact in their respective fields. Each has been meticulously reviewed by ICSB, earning its place among the best for the quality of topics explored, the depth of knowledge shared, and the transformative insights presented. Each book has an extensive review by the President of ICSB.

While the ICSB Golden Book Awards do not rank these five works, we honor them equally for their remarkable contributions to academia, entrepreneurship, and small business development. Together, these books are essential for professionals, educators, policymakers, and entrepreneurs seeking to stay ahead in an ever-evolving world.

**LEARN MORE:
[ICSB.ORG/ESSENTIAL-BOOKS](https://www.icsb.org/essential-books)**

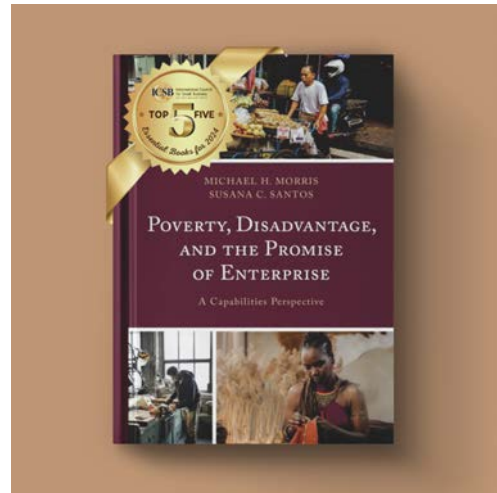
ICSB FIVE ESSENTIAL BOOKS OF 2024-2025

Poverty, Disadvantage, and the Promise of Enterprise: A Capabilities Perspective

Authors:

Michael H. Morris is a professor of entrepreneurship & social innovation at the University of Notre Dame's Keough School of Global Development.

Susana C. Santos is an associate professor of entrepreneurship at the Jim Moran College of Entrepreneurship at Florida State University.



About the Book:

Can entrepreneurship serve as a pathway out of poverty? Can low-income people create ventures to improve their economic circumstances and enhance their lives? *Poverty, Disadvantage and the Promise of Enterprise: A Capabilities Perspective* argues that “it depends.” To understand the poverty and entrepreneurship interface, we must first understand poverty. Using a lens of disadvantage theory and the capabilities framework, the book explores the implications of poverty’s complex, multi-dimensional nature when starting and growing a business. Four key liabilities directly impact the opportunities these individuals can recognize, the types of ventures they create, how the businesses perform, and the impacts on the entrepreneur’s well-being. Because of these liabilities, these ventures tend to fall into what the authors call the commodity trap, where they struggle with low sales volumes and marginal profits. However, the trap is avoidable, and with the right kinds of support, the performance of these ventures can be meaningfully improved. Key design elements of a successful intervention approach and an alternative perspective on the roles of community-based entrepreneurial ecosystems and public policy are introduced. Emphasis is also placed on the critical roles of faith, hustle, and fear of failure and success.

President Review:

This book resonates deeply with me for a multitude of reasons. At its core, it delivers a profound analysis of humanity’s responsibility at a critical juncture: understanding poverty’s complexity and addressing it at its very roots. This is not merely an exercise in academic inquiry or an act of altruism—it is an imperative for all of us as global citizens. Tackling poverty is a shared responsibility, and this book masterfully articulates why entrepreneurship can serve as a meaningful pathway to achieving this goal while candidly acknowledging the challenges and nuances involved.

Mike Morris has again demonstrated why he is a luminary in entrepreneurship research. This work might well be the pinnacle of his illustrious career, as it seamlessly combines rigorous scholarship with practical insights that can shape public policy and community action. This book challenges us to rethink entrenched assumptions and inspires hope for transformative change.

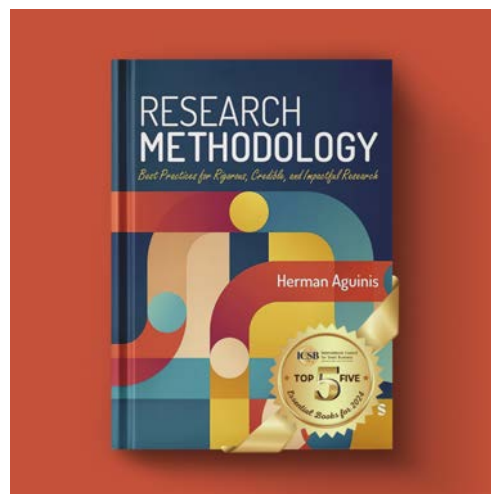
Equally exciting is Susana Santos’s contribution. Her voice shines in this work, and I have no doubt she is poised to become one of the most brilliant and impactful thought leaders in entrepreneurship. Her depth of understanding and fresh perspectives make her a rising star to watch closely in the coming years.

This book is not just a read—it is a call to action. It invites us to engage more deeply with the intersection of poverty and entrepreneurship and to reimagine how we can collectively build a more equitable and empowered world.

Research Methodology: Best Practices for Rigorous, Credible, and Impactful Research

Authors:

Herman Aguinis – The George Washington University School of Business, USA, The George Washington University



About the Book:

Research Methodology: Best Practices for Rigorous, Credible, and Impactful Research takes a 360-degree view of understanding and doing research, helping readers become expert researchers, reviewers, and consumers of research. Renowned author, journal editor, and researcher Herman Aguinis distills the vast work on methodological best practices into a singular experience.

Each of the 16 chapters thoroughly explains a different aspect of methodology step by step, from choosing useful and compelling research topics to reporting results accurately and credibly. Researchers at all career stages will find this text helpful to structure and conduct high-impact empirical research to produce a thesis, dissertation, or journal publication. Research consumers will find instructions on evaluating the rigor and credibility of research conducted by others. Instructors will find the book's modular approach refreshing by assigning students the most relevant topics—from checklists of best practices to an in-depth methodology treatment. Filled with “how-to's” and “dos and don'ts,” figures, hands-on exercises, and “Methods in Practice” boxes that summarize and apply best practices, this book is a must-have for anyone interested in producing or reading research.

President Review:

Herman Aguinis is undoubtedly one of the most esteemed and accomplished researchers on the global stage. His prolific and impactful research portfolio has long set the benchmark for academic excellence. Yet, his latest book transcends even his high standards, serving as nothing less than a game-changer in research methodology.

This book redefines what it means to create “research gold.” It masterfully combines rigor, clarity, and insight to provide readers with a definitive guide that resonates with seasoned academics and budding researchers. In many ways, it evokes comparisons to *The Elements of Style*, the timeless masterpiece by Strunk and White that became a cornerstone for understanding English composition and style. Much like Strunk's work, Aguinis' book meticulously lays out the principles of research design, execution, and analysis, addressing the foundational “rules of usage,” principles of rigor, common pitfalls, and best practices. It serves as both a practical manual and an intellectual beacon, ensuring that the quality and integrity of research are upheld.

In an era when research volume often overshadows its quality, Aguinis reminds us of the essence of pure, impactful research. His work challenges us to reimagine the purpose of research—not merely as a means to publish but as a pathway to generate meaningful, credible, and actionable insights that advance human knowledge.

This book is unparalleled for anyone seeking a comprehensive, reliable, and authoritative resource on research methodology. Aguinis is not merely an author—he is an originator, setting the standard for how research should be conceptualized and executed. Whether you are a student embarking on your first research journey or an experienced scholar striving for excellence, this book is an indispensable tool that will elevate your work and deepen your understanding of the research process.

In short, Herman Aguinis' latest contribution is more than just a book; it is a legacy. It is the go-to guide for anyone who wants to master the art and science of research, and it will undoubtedly remain a touchstone in the field for years.

tinyurl.com/ICSBBook2

The Future of Business Schools: Purpose, Action, and Impact

Edited by Rico J. Baldegger, Former Dean and Professor, School of Management Fribourg (HEG-FR), University of Applied Sciences & Arts Western Switzerland,

Ayman El Tarabishy, President & CEO, International Council for Small Business (ICSB), Deputy Chair, Department of Management, School of Business, The George Washington University, US,



David B. Audretsch, Indiana University, US and the Department of Innovation Management and Entrepreneurship, University of Klagenfurt, Austria,

Dafna Kariv, Professor of Entrepreneurship; Head of the dual degree Entrepreneurship-Business Administration, Adelson School of Entrepreneurship, Reichman University (RUNI), Herzliya, Israel,

Katia Passerini, Provost and Executive Vice President, Seton Hall University, South Orange, New Jersey, US and

Wee-Liang Tan, Associate Professor of Strategic Management, Lee Kong Chian School of Management, Singapore Management University, Singapore.

About the Book:

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 needing to prepare future business leaders and pay attention to essential topics like ethics, sustainability, and diversity and inclusion.

The book *The Future of Business Schools* discusses these issues in three critical areas: complexity, sustainability, and destiny. How do we prepare students for a new and complex world? How can business schools focus on the planet's sustainability, and how will they shape a better future for everyone? The chapters present views and suggestions of business school professors, researchers, and leaders from different contexts and countries, as well as ideas for business school stakeholders on topics from program structures, course content, and teaching materials to research topics. In addition to examples of innovations, tools are offered to help universities navigate complexity and prepare for uncertainty.

***ICSB Immediate Past Chair Review:
A Visionary Exploration: The Future of Business Schools***

Imagine taking a telescope and pointing it toward the stars. Through its lens, you see not just the dazzling sparkle of distant constellations but also the vast expanse of the universe. It allows you to traverse space and time, uncovering the mysteries of the cosmos while contemplating the future. This book serves as a telescope but examines business schools' intricate past, present, and future instead of exploring the heavens.

Guided by Rico Baldegger's expert editorial leadership and a team of distinguished contributors, this book explores the forces shaping business education. It delves into the evolution of business schools, their current challenges, and their potential futures, providing readers with a roadmap to understand and navigate the ever-changing academic and professional landscapes.

This is not just another book but a clarion call for introspection and innovation. It gives voice to faculty perspectives, shedding light on their experiences, insights, and aspirations for the future of business education. Doing so bridges the gap between academic leadership and the faculty at the heart of these institutions, making it a vital resource for business school deans, educational administrators, and policymakers.

The book goes beyond theoretical discourse to address the pressing questions facing business schools today. How can they remain relevant in an age of rapid technological advancement? What role should they address global challenges like sustainability, diversity, and ethics? How can they balance the demands of academic rigor with the need for practical, real-world impact? The answers offered in this book are grounded in deep research, practical wisdom, and forward-thinking vision.

This work is a beacon for those who believe in the transformative power of education. It challenges readers to rethink the purpose and mission of business schools, urging them to adapt, innovate, and lead in a world that demands agility and resilience. This book is essential for anyone who aspires to shape the future of business education.

In many ways, this book is a telescope that reveals what is and inspires us to imagine what could be. It guides understanding the past, navigating the present, and envisioning the future of business schools. Rico Baldegger and his editorial team have crafted a masterpiece that will resonate with academic leaders and faculty alike, ensuring its place as a cornerstone in the dialogue about the future of business education.

tinyurl.com/ICSBBook3

Agents of Innovation: Entrepreneurs, Facilitators and Intrapreneurs

Author:

Louis Jacques Filion is an Emeritus Professor at HEC Montréal, Canada, where he directed the Rogers J.-A.-Bombardier Chair of Entrepreneurship from 1995 to 2016.



About the Book:

What does it mean to innovate? Who are these innovators? What are their ways of thinking and acting? Answers to these questions are presented in the form of fascinating life stories. Today, the majority of innovative projects, including the creation of products/services and companies, are carried out by teams composed mainly of three different but complementary categories of innovation agents: entrepreneurs who share their vision, facilitators who support them creatively, and intrapreneurs who constantly innovate in the organizations that employ them. This book presents six remarkable life stories and suggests exercises that help prepare you to become an innovation agent.

Louis Jacques Filion and chapter co-authors Rico J. Baldegger, Candido Borges, Fernando Dolabela, Joëlle Hafsi, and Francine Riche present six fascinating case histories of three different types of agents of innovation: entrepreneurs who create new products or services, facilitators or process innovators who help entrepreneurs develop their enterprises, and intrapreneurs who innovate within the organizations that employ them. In the second part of *Agents of Innovation*, a set of exercises guides readers as they develop their innovative thinking process.

ICSB President Review: The Art of Storytelling and the Power of Innovation

Storytelling is one of the most influential and timeless ways to educate. A well-told story captivates the listener, drawing them into a world of compelling protagonists, daunting challenges, and, often, triumphant success. It transcends mere information, engaging the heart and mind making lessons more vivid, memorable, and impactful. This approach requires a masterful teacher—someone who can breathe life into their narratives, spark curiosity, and stir the emotions of their audience.

This book by Louis Jacques Filion is a shining example of such mastery. At its heart, it is about innovation, but rather than presenting dry theories or abstract principles, it preserves wisdom wrapped in beautiful, evocative stories. Each chapter feels like a journey filled with characters, conflicts, and insights that resonate deeply with the reader.

Filion is not just an author—he is a storyteller of the highest order. Drawing on years of experience, he skillfully weaves lessons about innovation into narratives that are as enlightening as they are engaging. His stories are not just tales—they are bridges that connect the reader to the core of thinking creatively, solving problems, and bringing ideas to life.

This book's ability to evoke emotions while educating is exceptional. You don't just read about innovation—you feel it. You experience the excitement of discovery, the frustration of obstacles, and the joy of breakthroughs alongside the characters. Filion's ability to unlock these emotions in his readers sets this book apart and makes it a powerful learning tool.

So, sit back, relax, and let Louis Jacques Filion take you on a journey. With his masterful storytelling and profound insights, you will gain knowledge and be inspired to see the world—and your potential—in new and transformative ways. This is more than a book; it's an experience that will stay with you long after the final page.

tinyurl.com/ICSBBook4

Elegant Design: A Designer's Guide to Harnessing Aesthetics

Author:

Dr. Landoli is the Dean of the Collins College of Professional Studies and a Professor in the Computer Science, Mathematics, & Science Division.

Giuseppe Zollo is a professor of business and management at the University of Naples Federico II, School of Engineering and School of Architecture, Italy. With a background in architecture and information science, Giuseppe's research focuses on complex systems, organizational learning, and sense-making.



About the Book:

Users want simple designs but crave performance. More performance means more complexity. How can designers, inventors, and product managers handle this trade-off? How can they create designs that are quick to process and meaningful, unique, and memorable in an age characterized by constant information overload?

The answer is elegant design. Research insights at the intersection between cognitive science and art studies demonstrate that elegance is a form of ideal complexity sitting between the obvious and the complicated. The book shows how our minds can effectively process visual complexity by using aesthetic pleasure and judgment as a guide.

Analyzing the work of great artists and designers from the perspective of how our mind appreciates complexity using aesthetic criteria, *Elegant Design* identifies actionable aesthetic strategies that will help you design products and user experiences that provide just the suitable complexity, leveraging aesthetic pleasure to deliver meaning and performance.

Four design strategies will help make your product more complex when it is too simple and boring. Another set of four strategies will help simplify your product when it is too complicated and confusing. By iterating between simplification and complexification, you can hit the ideal level of complexity, maximizing users' aesthetic pleasure.

Using the same approach in the book's writing, Luca Landoli and Giuseppe Zollo will take you on a pleasurable journey across art, design, and history through a beautifully crafted edition that includes more than 100 images, stories, case studies, provocative takeaways, and exercises to stimulate creativity and aesthetic reasoning.

Review of ICSB President:

This book is a masterful exploration of a subject as challenging as it is captivating: the pursuit of elegance in design. At its core, the topic revolves around a delicate balancing act—how to achieve peak performance while delivering the ultimate in aesthetics, touch, and emotional resonance. It tackles the profound question of creating designs that excel in utility, beauty, and perception, a harmony encapsulated in the three Fs: Form, Function, and Feelings.

What truly sets this book apart is the authors themselves. They are not confined to a single discipline but embody a rare fusion of talents. As engineers, they bring precision and technical expertise; as business educators and leaders, they offer strategic insight and vision; and as artists, they possess a deep understanding of the subtle nuances that elevate design from the ordinary to the extraordinary. This multidimensional perspective enriches the book, offering readers an unparalleled look into the world of elegant design.

As the authors remind us, elegance is challenging to achieve. It demands more than technical skill or creative flair—it requires a level of introspection, discipline, and patience that few are willing to pursue. It calls for the courage to reject mediocrity and the perseverance to strive for perfection, even in minor details. This is a process, a philosophy, and a relentless commitment to executing at the highest level.

The book delves into the intricate interplay between practicality and artistry through its pages. It explores how great designs are born from meeting func-

tional requirements and evoking a sense of wonder, joy, and emotional connection. The authors illustrate this through compelling examples, weaving together their vast experiences to provide insights that are as thought-provoking as they are inspiring.

Simply put, this book is itself a work of art. It embodies the elegance it seeks to describe, delivering its message with clarity, depth, and sophistication. Whether you are a designer, a leader, or simply someone who appreciates beauty in all its forms, this book will resonate deeply and leave a lasting impression. It is, in every sense, a celebration of elegance—a concept that, though elusive, remains endlessly inspiring.

tinyurl.com/ICSBBook5



INTERNATIONAL COUNCIL FOR SMALL BUSINESS

PRESENTS



This prestigious recognition honors individuals whose research has significantly contributed to advancing micro-, small, and medium-sized enterprises (MSMEs) worldwide. The High-Impact MSME Researchers are thought leaders whose work drives innovation, informs policy and inspires actionable solutions to MSMEs' challenges.

These researchers are committed to excellence and demonstrate a profound understanding of MSMEs' pivotal role in fostering economic growth, job creation, and societal progress. Their studies address critical issues such as access to finance, digital transformation, crisis resilience, and sustainable development.

By shaping the global MSME narrative and providing data-driven insights, these researchers empower entrepreneurs, policymakers, and stakeholders to unlock the potential of MSMEs. Their contributions resonate globally, creating a lasting impact on the future of small business ecosystems and economies around the world.

Congratulations to the 2024-2025 honorees for their dedication to advancing the MSME agenda and for being catalysts of positive change!

LEARN MORE:

[ICSB.ORG/KNOWLEDGE/HIGH-IMPACT-GLOBAL-MSMES-RESEARCHERS](https://www.icsb.org/knowledge/high-impact-global-msmes-researchers)

2024-2025 HIGH-IMPACT GLOBAL MSMES RESEARCHERS

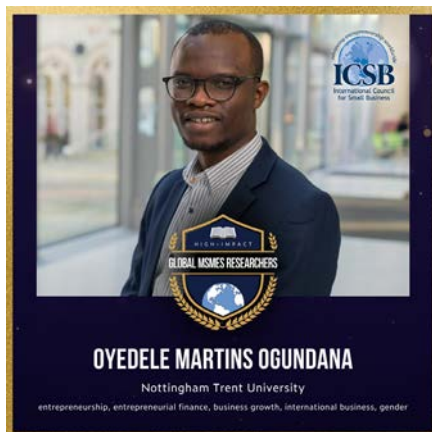
CHAIRS:
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Eric Liguori

Jim Moran Professor & Associate
Dean, Florida State University

*entrepreneurship education • entrepre-
neurship ecosystems • entrepreneurial
self-efficacy*

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Oyedele Martins Ogundana Nottingham Trent University

*entrepreneurship • entrepreneurial
finance • business growth • interna-
tional business • gender*

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Stjepan Srhoj

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Economics, Business and Tourism

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Sascha Kraus
 Professor, Free University of Bozen-Bolzano

entrepreneurship • family business • digital transformation • strategic management • innovation

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Stjepan Srhoj
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policy evaluation • firm behavior • microeconomics

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Kristen Madison
 Professor of Entrepreneurship, Oklahoma State University

family firms

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Marco Balzano
University of Trieste, Italy

serendipity • strategic management • technology innovation • methodology

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Mahdi Tajeddin

Associate Professor at Saint Mary's University

strategic entrepreneurship • international • entrepreneurship • emerging economies • innovation

tinyurl.com/MahdiTajeddin

Arjan Frederiks University of Groningen

entrepreneurship • imagination • creativity • decision making

tinyurl.com/ArjanFrederiks



Younggeun Lee California State University, Los Angeles

entrepreneurship

tinyurl.com/YounggeunLee

James Vardaman Professor and Free Enterprise Chair of Excellence, University of Memphis

employee turnover • organizational change • family entrepreneurship

tinyurl.com/JamesVardaman



INTERNATIONAL COUNCIL FOR SMALL BUSINESS

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The Global MSME Influencers: The Power Ten is a prestigious recognition presented annually by the International Council for Small Business (ICSB). This honor celebrates dynamic entrepreneurs, visionary leaders, and transformative changemakers who have made a profound impact on the global landscape of micro, small, and medium-sized enterprises (MSMEs).

The awardees are trailblazers from various fields—including government, multi-national organizations, academia, corporate leadership, and non-profits—driven by a shared mission to elevate entrepreneurship as a force for economic growth and societal transformation. Renowned for their visionary leadership and global influence, these influencers deeply understand MSMEs’ pivotal role in fostering resilience, driving job creation, and promoting social equity.

Highly respected in their industries, these individuals are sought-after speakers at global conferences, thought leaders whose insights shape policies and practices, and prolific creators of impactful content. Their articles, posts, and publications are widely read, inspiring action and innovation across the MSME ecosystem. Beyond their intellectual contributions, they excel in organizing dynamic events that ignite collaboration and spark progress in the MSME domain.

ICSB firmly believes that the pulse and wisdom of the MSME sector thrive through the dedication and expertise of these global influencers, who serve as beacons of inspiration and catalysts for change. The Power Ten is not in any particular order.

LEARN MORE: [ICSB.ORG/POWER-TEN](https://www.icsb.org/power-ten)

GLOBAL MSME INFLUENCERS: THE POWER TEN

READ THE FULL BIOS AT:
[ICSB.ORG/POWER-TEN](https://icsb.org/power-ten)

Chantal Line Carpentier

Dr. Chantal Line Carpentier is a global powerhouse whose laser focus on Least Developed Countries (LDCs) seamlessly integrates entrepreneurship, trade, and social entrepreneurship. Currently serving as Head of Trade, Environment, Climate Change, and Sustainable Development, and with a distinguished seven-year tenure as Chief of the United Nations Conference on Trade and Development (UNCTAD) New York Office of the Secretary-General, Dr. Carpentier has been a tireless advocate for sustainable and inclusive growth.



KiChan Kim

Dr. KiChan Kim is a visionary and entrepreneurial trailblazer celebrated as the **founder of the Humane Entrepreneurship Global Movement**. His unwavering passion and dedication to advancing humane entrepreneurship have left an indelible mark, most notably with the United Nations adopting it as the central theme for the Global MSMEs Day Agenda on June 27 in Geneva. Recognized as South Korea's foremost expert on entrepreneurship, Dr. Kim's influence transcends borders, making him a distinguished global leader and academic.

Matthew Wilson

Ambassador Wilson is a masterful collaboration architect and a tireless champion for MSMEs, earning him the ICSB title "The Conductor of the MSMEs Global Symphony." Currently serving as the Ambassador and Permanent Representative of Barbados to the United Nations, WTO, and other international organizations in Geneva, as well as Ambassador to Switzerland and Permanent Representative to UN agencies in Austria and Rome, Ambassador Wilson is a linchpin in the global MSME ecosystem.





Lucia Cusmano

Lucia Cusmano is the heartbeat and mind of the OECD Centre for Entrepreneurship, SMEs, Regions, and Cities (CFE), instrumental in shaping its foundation and growth, block by block, since its inception. With an unparalleled ability to transform complex research into actionable insights, she bridges the gap between academia and policy, guiding decision-makers toward impactful strategies.

Vicki Stylianou

Vicki Stylianou is a globally respected advocate and thought leader in entrepreneurship and MSME support. She has repeatedly addressed the United Nations and the United States Congress on these critical topics. Her focus on the circular economy underscores her commitment to sustainable and transformative economic growth, highlighting her ability to connect global challenges with actionable solutions. An experienced director, lawyer, and public policy expert, Vicki brings a unique combination of legal expertise and strategic advocacy to her work.



Dragan Radic

Dragan Radic, often referred to by ICSB as “Mr. Small Business” at the International Labour Organization (ILO), is a transformative leader in sustainable MSME development and decent work. As the Chief of the MSME Branch within the ILO’s Enterprises Department, he has spearheaded groundbreaking initiatives that elevate MSMEs as critical drivers of economic growth and job creation, making up 70% of global employment.

Barbara Ramos

Barbara Ramos is a trailblazer in advancing MSMEs and entrepreneurship in post-conflict settings, an area of critical importance today as Chief of Research and Strategies for Exports at the International Trade Centre (ITC) brings cutting-edge expertise to the intersection of trade, development, and resilience-building for businesses operating in fragile environments. Her work combines academic rigor with practical insights, making her a vital force in shaping policies that empower MSMEs to thrive amidst disruption.





Ahmed Osman

Ahmed Osman is a visionary leader and the ultimate MSMEs Connector in the Middle East. He is known for his ability to bridge diverse communities and empower entrepreneurs across the region. As the host of the 2019 World Congress on MSMEs in Cairo, Egypt, Ahmed delivered one of the most dynamic and impactful gatherings in ICSB's history, showcasing Egypt's potential as a hub for innovation and entrepreneurship. Through his efforts, he has significantly expanded youth entrepreneurship in Egypt, fostering a new generation of leaders and innovators.

Jonathan Ortman

Jonathan Ortman is a Global Catalyst renowned for his ability to bring major groups together to advance entrepreneurship on a global scale. As the founder and president of the Global Entrepreneurship Network (GEN), Ortman has created a groundbreaking platform of programs and initiatives across 170 countries. GEN fosters healthier entrepreneurial ecosystems by helping new firms start and scale, turning ideas into thriving ventures that create jobs, spark innovation, and bolster economic stability worldwide.



Tom Sullivan

Tom Sullivan is a dynamic leader who brings together government, the Chamber of Commerce, and the private sector to create meaningful support for MSMEs. As Vice President of Small Business Policy at the U.S. Chamber of Commerce, Sullivan channels the voices of small businesses nationwide and translates their needs into impactful federal policies that bolster free enterprise and reward entrepreneurship. Through his leadership, he ensures that small businesses have a seat at the table, empowering them to thrive in an ever-changing economic landscape.

**LIST PREPARED BY:
DR. AYMAN ELTARABISHY &
DR. WINSLOW SARGEANT**



INTERNATIONAL COUNCIL FOR SMALL BUSINESS

PRESENTS



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The ICSB MINI GLOBE Awards are awarded to those for their dedication to promoting small businesses and entrepreneurship.

CASE OF STUDY: LOCALIZING THE SDGS IN A BUSINESS ACCELERATOR

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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, FAED-

PYME 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

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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 UNDP SDG Impact Standards serve as a practical tool to drive investment in crit-

ical 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 verblancy 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, nano-technology and engineering.

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.

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. 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.

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.

Multidisciplinary team: Profiles of various disciplines and knowledge. At least one team member dedicated exclusively to the new venture.

Technological Level: Technical checks that exceed the laboratory results. For example: MVP (minimum viable product) achieved, customer development in progress, etc.

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. 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 advi-

sors. 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:

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 event

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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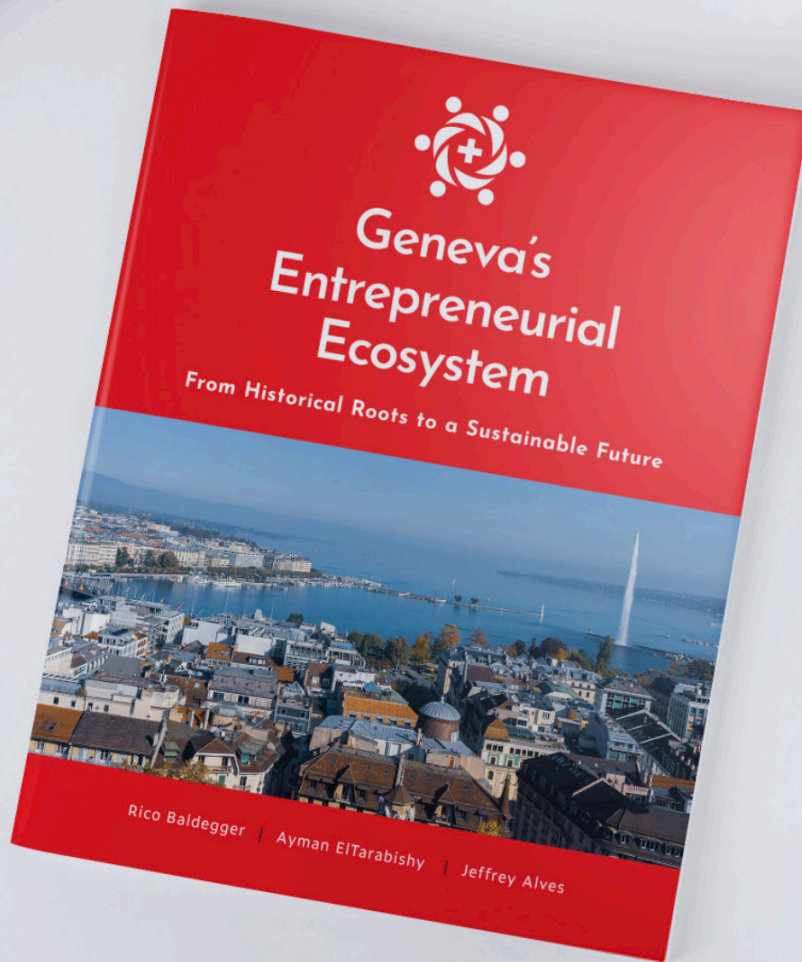
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ADVANCING HUMANITY AND PEACE THROUGH ENTREPRENEURSHIP: THE REHABILITATION OF EX OFFENDERS

**PROFESSOR DAVID A KIRBY,
DR. FELICITY HEALEY-BENSON**

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, Rupprecht (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 threat-

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

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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).

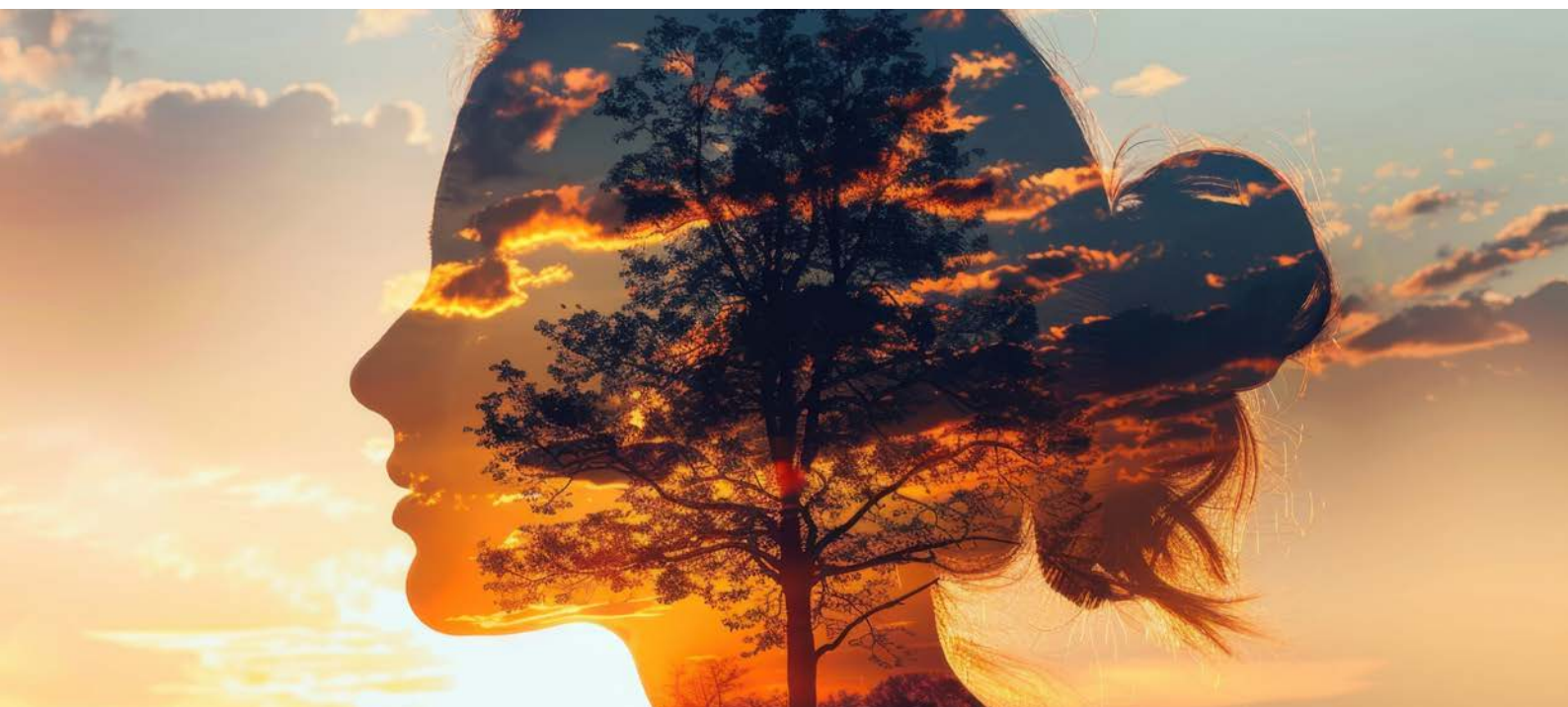
Tap Social is an Oxford located craft brewery with a mission to employ people in or after prison and to get everyone else to do the same. It was founded in July 2016 by Paul Humpherson, a lawyer then 30 years of age and sisters Amy Taylor (29) a Civil Servant and Hannah (Jess) Taylor (25) who had worked 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 espe-

cially 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.



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THE HISTORY OF ICSB

Founded in 1955, the International Council for Small Business (ICSB) was the first national and international membership organization to promote the growth and development of small businesses worldwide. The organization brings educators, researchers, policy-makers, and practitioners worldwide to share knowledge and expertise in their respective fields through publications, programs, workshops, training sessions, and certifications. ICSB is a not-for-profit organization hosted in Washington, D.C., at the George Washington University.

ICSB proudly holds the distinction of being the founder of the United Nations initiative for small businesses. The United Nations created the U.N. Micro-small and Medium-sized Enterprises Day (MSMEs Day), which is now celebrated every June 27th. This pioneering effort has shaped global policies and initiatives in support of entrepreneurship and economic development. Through its visionary leadership and collaborative efforts, ICSB continues to drive impactful change on a global scale, advocating for the needs and interests of small businesses worldwide.

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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?

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 ecosys-

tems. 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 concep-

tual 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.

SMES CAN AND MUST BE MOBILIZED BY SUCH YOUNG TALENTS BECAUSE THEY CAN DRIVE SUSTAINABILITY AND PROSPERITY.

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.

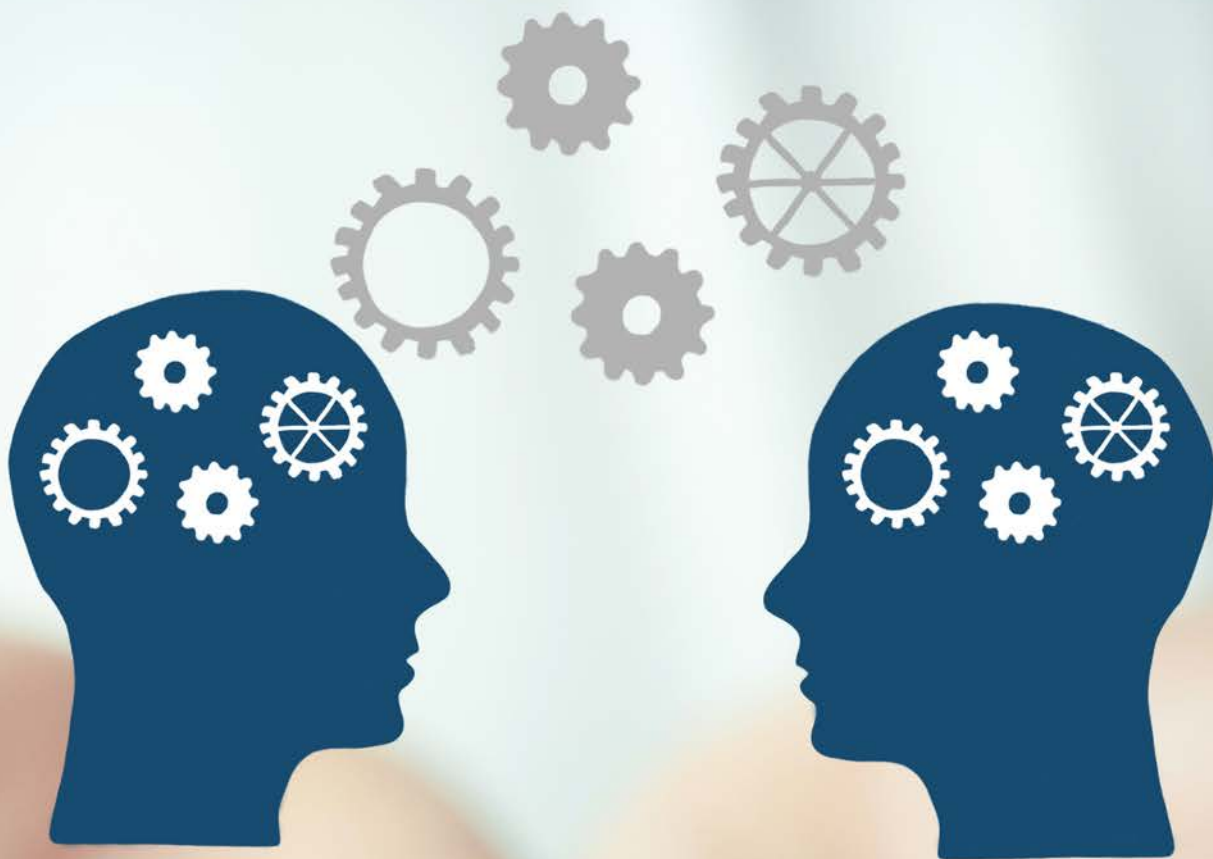
Specifically, a distinction is made between Empowering Leadership initiated by leaders and Empowering Leadership emerging from the group (Cheong et al., 2019). Ensley et al. (2006) refer to the former as Vertical Empowering Leadership and the latter as Shared (Empowering) Leadership. Shared leadership 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



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**ACCESS TO FINANCE FOR YOUNG
AFRICAN ENTREPRENEURS: INSIGHTS
FROM THE INTERNATIONAL TRADE
CENTRE'S YE! COMMUNITY**

**BARBARA RAMOS
CHIEF, RESEARCH AND STRATEGIES FOR EXPORTS**

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).

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. 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.

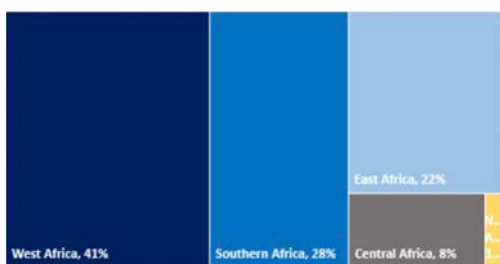
This report sheds light on the financing needs of youth-led MSMEs in Africa. In short, it finds that:

- 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

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.

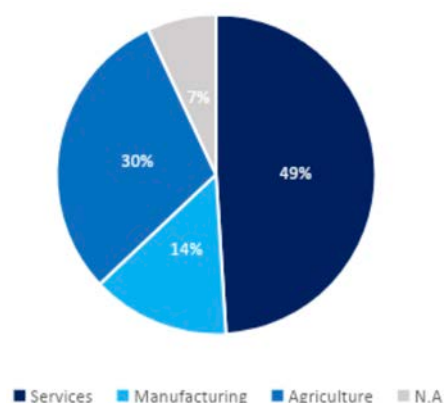


Figure 2: Sector of activity

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.

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

More youth-led firms need finance, com-

pared 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).

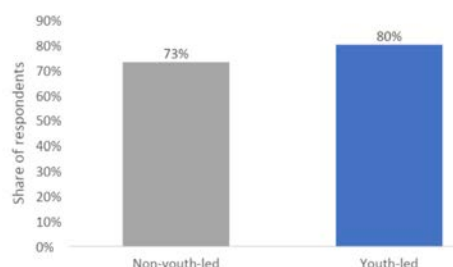


Figure 3: Youth-led businesses more likely to need finance

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.

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. 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).

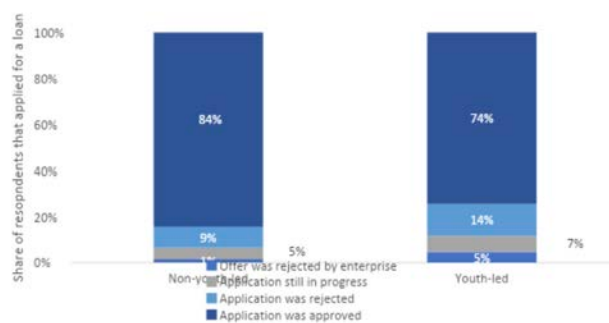


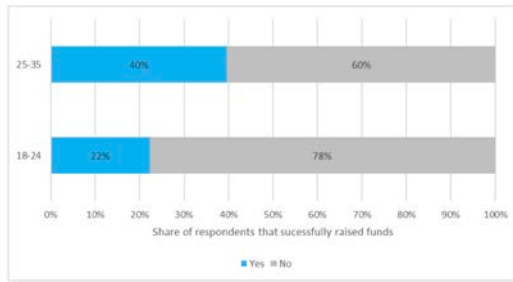
Figure 4: Youth-led companies loan rejections higher compared to non-youth

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 men. *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.

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.

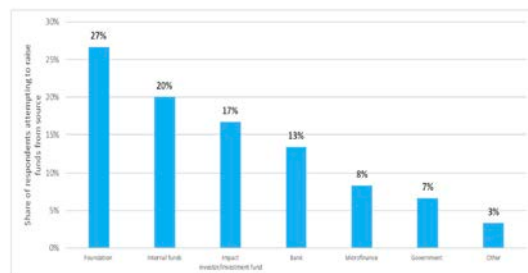


Figure 6: Youth-led firms combine several financial instruments

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.

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 re-payment 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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2025 SOUTH KOREA TOP TEN TRENDS FOR MSMES

By Kichan Kim

*Professor of Business Administration, The Catholic University of Korea Chair of the Board,
International Council for Small Business Visiting Professor of Management, GW University*

1. Intensification of Bureaucracy and Decline of Entrepreneurship
2. Transition to the AI Era: Enhancing Productivity and Digital Innovation
3. Humane Entrepreneurship: Balancing High-Tech and High-Touch
4. The Galapagos Syndrome: Overdependence on Domestic Markets
5. CFO-Led Management: Insufficient Investment in Technology Innovation
6. Strengthening Brand Power and Global Customer Trust
7. Decline of Entrepreneurship Among Third-Generation Leaders
8. Declining Competitiveness of Platform Monopolies
9. The Evolution of Women Entrepreneurs: Sustained Support Needed
10. Welfare-Oriented SME Policies and Weakening Innovation Ecosystems

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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 and the [Annals of Entrepreneurship Education and Pedagogy](#) 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 your-

self 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:

EVERYONE'S ABLE TO PARTICIPATE EQUALLY AND FEELS SAFE AND SUPPORTED.

‘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 under-represented 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 Ready-Set, 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. 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

**"HE WHO HAS NOT
TRAVELLED WIDELY
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THE BEST COOK."**

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 lead-

ers, 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 Entrepreneurs, 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 Busi-



ness Academy, 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 Entrepreneurship 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 entrepreneur 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>.



MULTI-TECHNOLOGY INDUSTRIAL ORGANIC WASTE SOLUTION, IMPLEMENTED BY TAKATAKA SOLUTIONS AND CHANZI LTD.

GLEN WILSON

BACKGROUND INFORMATION

TakaTaka Solutions and Chanzi will partner to deliver a pilot for on-site sorting and collection of organic waste from various manufacturers and will process this into products such as commercial feed and organic fertilizer that have a market in the food and beverages value chain. Sorted waste streams will be utilised as follows:

- Input as feed for black soldier fly (BSF) larvae, which are in turn processed into high-protein animal feed, with the frass (larvae excrement) as by-product. Research partners, German Biomass Institute Leipzig, will conduct applied experiments to optimize BSF yield and breadth of processable materials.
- Input to a pyrolysis process for conversion into biochar which in turn has value as a stand-alone product, as an input to the BSF production to control

ammonia content, and combined with frass from the BSF comprises a high value product marketed to agricultural companies for carbon sequestering, nitrogen rich, soil improving

- Composting for output into affordable, environmentally friendly fertilizer that can be used in local agriculture.

Food processing facilities face high disposal costs or fines for illegally dumping of organic wastes. The pilot offers affordable and responsible alternatives to the conventional disposal of organic waste, as well as demonstrating a long term commercially sustainable case for on-site sorting and collection.

The value added by-products from this project are expected to be of high value and significantly cheaper than currently used alternatives, specifically frass fertiliser and compost over synthetic fer-

tilizer alternatives, BSF feed over current alternative fish meal and biochar as a new market for soil enhancement. Opportunity exists for small scale businesses to be involved in the distribution of products. The pilot project will aim to demonstrate the commercial viability of the technologies on the basis of these market opportunities and prevent the release of diverse organic waste into the environment, aiming to divert 4800 tonnes/year organic waste for TakaTaka.

Both consortium partners are established businesses currently repurposing waste. TakaTaka Solutions collects waste from residential areas, commercial buildings, and institutions which are then either sorted, recycled, composted or incinerated. Chanzi on the other hand has an established black soldier fly facility, using this to convert organic waste into protein for animal feed. Both will bring their respective capabilities on this concept to scale their operations to intercept waste coming from the manufacturing sector. Research partners University of Surrey and Greenwich will conduct academically rigorous applied experiments.





NAVIGATING IN THE SUSTAINABILITY DIRECTION: ESG & FIRMS PERFORMANCE

KATIA PASSERINI, AYMAN EL-TARABISHY, ARTURO PAGAN

Abstract

In recent years, the methods for assessing the impact of investing in companies with substantial environmental, social, and governance (ESG) practices have undergone significant transformation. This evolution mirrors the earlier shift towards measuring the value of knowledge in businesses. Initially, companies focused on quantifying the impact of knowledge. Over time, they realized that embedding knowledge practices into their operations spurred innovation and growth better than simply measuring impact. Similarly, we must aim to standardize ESG measurements and acknowledge that ESG practices can be both sustainable and profitable, and their intentional implementation will lead to long-term success.

Why The Focus on ESG

A major shift towards broader accountability in business has emerged over the last decade, driven by a focus on the human dimensions of business and the demand for solutions that create economic growth while respecting the environment and society. Much like the rise of the knowledge economy whose beginning focused on understanding knowledge returns, this shift now seeks to measure the value of ESG factors. History shows that embedding ESG factors into core business activities fosters innovation and long-term growth. This is because ESG encompasses Environmental, Social, and Governance. It focuses on a company's impact on nature (Environmental), its treatment of employees and the community (Social), and its internal management and compliance practices (Governance). Introduced in 2006 by the UN's Principles for Responsible Investment, ESG factors have gained prominence, with significant growth in assets managed under ESG criteria. This section explores various interpretations and applications of ESG across industries.

Environmental (E)

Environmental factors examine how a company's operations impact the natural world. This includes energy usage, waste management, pollution control, and resource conservation. For example, Tesla's commitment to producing electric vehicles aims to reduce global carbon emissions, making it a leader in environmental sustainability.

Social (S)

Social factors assess a company's relationships with its employees, customers, and communities. This can include labor practices, community engagement, and human rights policies. An example is Patagonia, which focuses on fair labor prac-

tices and donates a significant portion of its profits to environmental causes.

Governance (G)

Governance factors examine a company's internal systems and practices, such as board diversity, executive pay, and compliance with laws. Strong governance can lead to better decision-making and risk management. Johnson & Johnson's commitment to transparency and ethical practices illustrates good governance, bolstering its reputation and trust with consumers.

Measuring ESG Value

Various frameworks and rating agencies evaluate ESG performance, similar to the early diverse methods in the knowledge economy. The World Economic Forum and major accounting firms have developed 22 specific metrics aligned with the UN's Sustainable Development Goals to standardize ESG measurements. However, competing frameworks and indices, like those from MSCI, Sustainalytics, and others, often lead to differing evaluations of companies, creating confusion. Despite this, ESG-focused companies generally outperform others due to solid fundamentals and stakeholder demand for sustainability.

Frameworks like the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) provide guidelines for ESG reporting. Each offers a unique approach: GRI focuses on sustainability impacts, SASB on industry-specific standards, and TCFD on climate-related financial risks. For example, Microsoft uses TCFD recommendations to report its climate risks and opportunities, showcasing its commitment to transparency.

ESG ratings and indices by agencies like MSCI, Sustainalytics, and FTSE Russell offer comparative evaluations of companies' ESG performance. However, discrepancies in methodologies can lead to varied results. For instance, a company might receive a high rating from MSCI for strong environmental practices but score lower with Sustainalytics due to governance issues. Despite these differences, these ratings are crucial for investors aiming to integrate ESG criteria into their decision-making processes.

ESG is Here to Stay Because It Works

ESG practices are here to stay, supplementing traditional financial metrics by focusing on long-term impacts. Studies show that companies with strong ESG practices achieve better long-term growth, reduced regulatory issues, and innovation opportunities. ESG investing encourages redesigning products and processes to lower costs and environmental impact, de-commoditizing value chains. Accounting standards are evolving to integrate ESG performance into business strategies.

Companies adopting ESG practices can mitigate risks, enhance brand reputation, and attract loyal customers. For instance, IKEA's initiative to use only renewable and recycled materials by 2030 has positioned it as a company focused on sustainability, boosting customer loyalty and market share.

Unilever, a multinational consumer goods company, has embraced ESG principles deeply. It ranks highly across various ESG indices due to its comprehensive sustainability plan, which includes reducing plastic waste, improving labor conditions in its supply chain, and enhancing governance structures. This commitment has improved its ESG ratings and driven long-term financial performance,

illustrating the synergy between sustainability and profitability.

ESG can drive innovation by encouraging companies to develop sustainable products and services. For example, Beyond Meat's development of plant-based meat alternatives addresses environmental concerns about meat production while tapping into a growing market. This innovation aligns with ESG goals and opens new revenue streams.

A Call For Action Looking at the Future

Early ESG investors will see benefits over time. The key is recognizing that ESG investments are not a trade-off but a path to positive long-term outcomes for investors, society, and the environment. Developing a transparent metric system is essential for eliminating confusion and realizing the total value of ESG practices.

To harness the full potential of ESG, stakeholders must push for standardized metrics and greater transparency. Companies should integrate ESG into their core strategies, investors must demand ESG disclosures, and regulators must enforce consistent reporting standards. Regulations are increasingly favoring ESG integration. The EU's Sustainable Finance Disclosure Regulation (SFDR) requires asset managers to disclose how they consider ESG factors in their investment decisions. This regulatory push is compelling companies to adopt more transparent and sustainable practices, ensuring they remain competitive and compliant. This collective effort will drive sustainable growth and innovation.

The future of ESG lies in its integration into mainstream business and investment strategies. As ESG metrics become more standardized and transparent, companies that excel in these areas will lead the way in sustainable growth, setting new benchmarks for others to follow.

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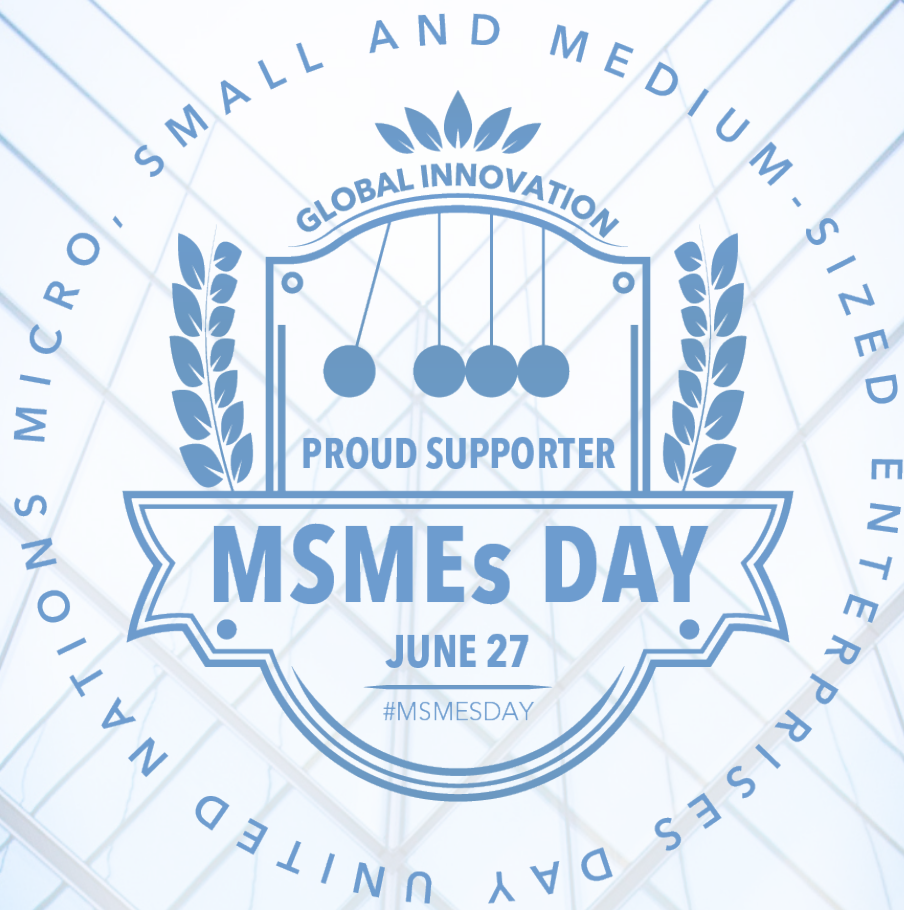
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An expanded version of this paper was presented at the Geneve Entrepreneurship Forum, Fribourg/Geneva, Switzerland, June 26-29, 2024. <https://geneveforum.org/schedule/>





START-UP EXITS: MODALITIES, IMPACTS AND POLICIES

AYMAN EL TARABISHY

*ICSB and OECD Workshop:
Understanding Start-Up Exits:
A Pathway to Future Success*

On average, more than half of new business start-ups in OECD countries exit the market within five years of incorporation. Start-up exits are often misunderstood as failures; however, there are many kinds of start-up exits, including private acquisitions, public listings (IPO), and voluntary liquidations, not just bankruptcies. Exits can represent success as well as failure. Moreover, failure can result from various chance factors and strategic or operational errors. Even when unsuccessful, exits can be a source of learning for the entrepreneur that can help them re-engage and generate new successful ventures.

Exits can create potential opportunities if policy facilitates the founders' restarting or investing in other entrepreneurial ventures. To design policy effectively, governments need a better understanding of the nature of start-up exits, what founders do following exit, and the barriers to entrepreneurial recycling.

This workshop, organized by the OECD and the ICSB, addresses these issues by focusing on two distinct types of exits. At one end of the scale, there are rapid-growth scale-ups, or blockbuster entrepreneurs, characterized by the sale of the business by the founder. The exiting entrepreneur can then potentially re-use their experience, networks, and capital in new ventures as serial entrepreneurs, investors, or mentors. Various policies can encourage such recycling, including taxation regimes or matchmaking with new entrepreneurs, investor groups, or other ecosystem actors. At the other end of the scale, there are standard entrepreneurs whose businesses close but may be successful in subsequent entrepreneurial projects. Here, policy can assist in various ways, such as with early intervention or insolvency regimes that help manage the exit in an orderly and timely way and by offering business advice and finance for restart.

Speakers and Contributors:

- Ayman El Tarabishy, *President & CEO, ICSB, USA*
- Jonathan Potter, *Head of Entrepreneurship Policy and Analysis Unit, CFE, OECD*
- Roberto Crotti, *Policy Analyst, Entrepreneurship Policy & Analysis Unit, CFE, OECD*
- Ross Brown, *Professor, University of St Andrews, UK*
- Anna Jenkins, *Senior Lecturer, University of Queensland, Australia*
- Jonathan Levie, *Professor, University of Galway, Ireland*
- Winslow Sargeant, *Immediate Past Chair, ICSB, USA*

MORE THAN HALF OF NEW BUSINESS START-UPS IN OECD COUNTRIES EXIT THE MARKET WITHIN FIVE YEARS OF INCORPORATION.

Conclusion

The dynamics of start-up exits are complex and multifaceted, encompassing a range of outcomes from private acquisitions to voluntary liquidations. Understanding that exits can signify success and failure is crucial in shaping effective policies supporting entrepreneurs throughout their journey. By recognizing the value of entrepreneurial recycling, we can facilitate the re-engagement of experienced founders, turning past lessons into future successes.

This workshop highlighted the importance of tailored policies to support both rapid growth and standard entrepreneurs. We can enhance the overall entrepreneurial ecosystem by fostering an environment where entrepreneurs can

easily restart or invest in new ventures. Through early interventions, appropriate insolvency regimes, and supportive measures for business restarts, we can mitigate the negative impacts of exits and leverage them as opportunities for growth and innovation.

The insights shared by our distinguished speakers provide a comprehensive understanding of start-up exits and underscore the necessity of continued research and policy development in this area. Together, we can create a robust framework that addresses the challenges of start-up exits and maximizes their potential for driving entrepreneurial success.



FUTURE OF BUSINESS SCHOOLS FOR BUSINESS AND SOCIETY – SOCIETAL IMPACT AND AACSB ACCREDITATION

BY AYMAN TARABISHY

Introduction

The societal impact of business schools, particularly those with AACSB (Association to Advance Collegiate Schools of Business) accreditation, is significant and multifaceted. The AACSB accreditation helps ensure that business schools not only meet rigorous standards of teaching and research but also actively contribute to societal well-being: “The school demonstrates positive societal impact through internal and external initiatives and or activities consistent with the school’s mission, strategies, and expected outcomes.” This influence shapes how business is conducted globally and reinforces the role of education in solving societal challenges. Business Schools have societal impacts through curricu-

lum and research focus, leadership development, community engagement, entrepreneurship and innovation, diversity and inclusion, global perspective, and policy influence.

Curriculum and Research Emphasis:

AACSB-accredited business schools are encouraged to focus on academic excellence and issues like ethical management, corporate social responsibility, and sustainability. These topics are integrated into curricula and research initiatives, preparing students to address societal challenges in their professional roles.

Leadership Development:

Business schools play a crucial role in shaping future leaders. Empowering ethical leadership and social responsibility influences how these leaders make decisions that affect employees, communities, and broader societal issues.

Community Engagement:

Many business schools engage directly with their local and global communities through various initiatives, such as consulting projects, nonprofit partnerships, and community service programs. These activities help address local societal issues while providing students real-world learning experiences.

Innovation and Entrepreneurship:

Business schools often serve as incubators for innovation and entrepreneurship. By supporting startups and new technologies, they contribute to economic development and job creation and potentially address societal problems through innovative products and services.

Global Perspective:

AACSB accreditation requires schools to provide global learning experiences, which helps create a more culturally



competent workforce that can operate effectively in a globalized economy. This broadened perspective enables future leaders to address international challenges and work across borders.

Diversity and Inclusion:

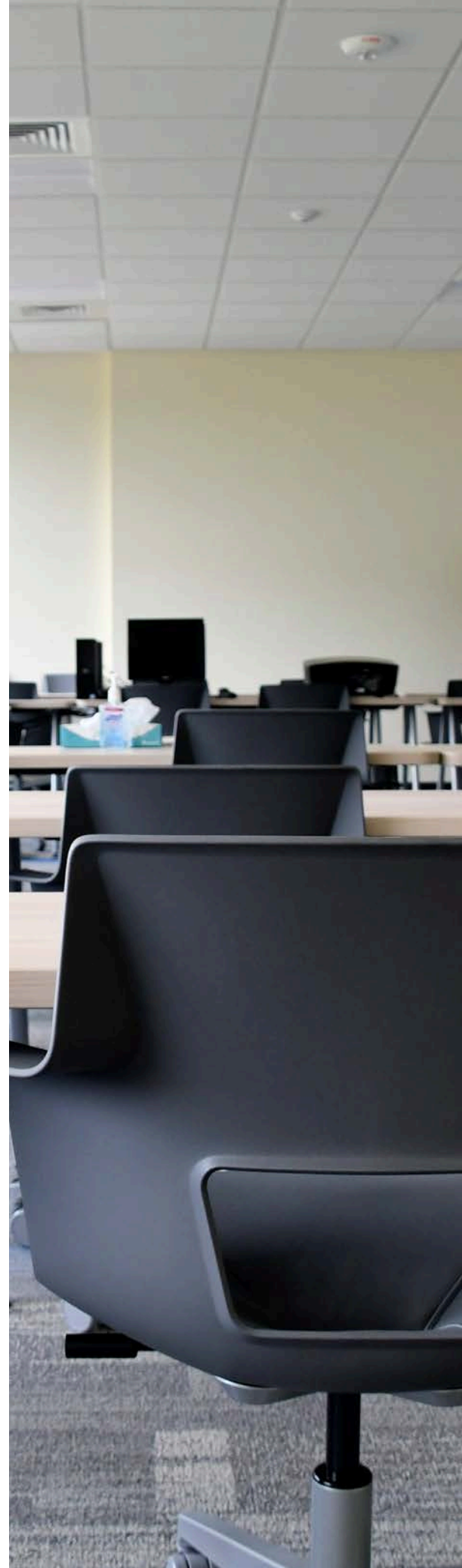
Business schools increasingly focus on diversity and inclusion in their student bodies and faculties. This shift helps foster a more inclusive economic landscape and promotes varied perspectives in business practices.

Policy Influence:

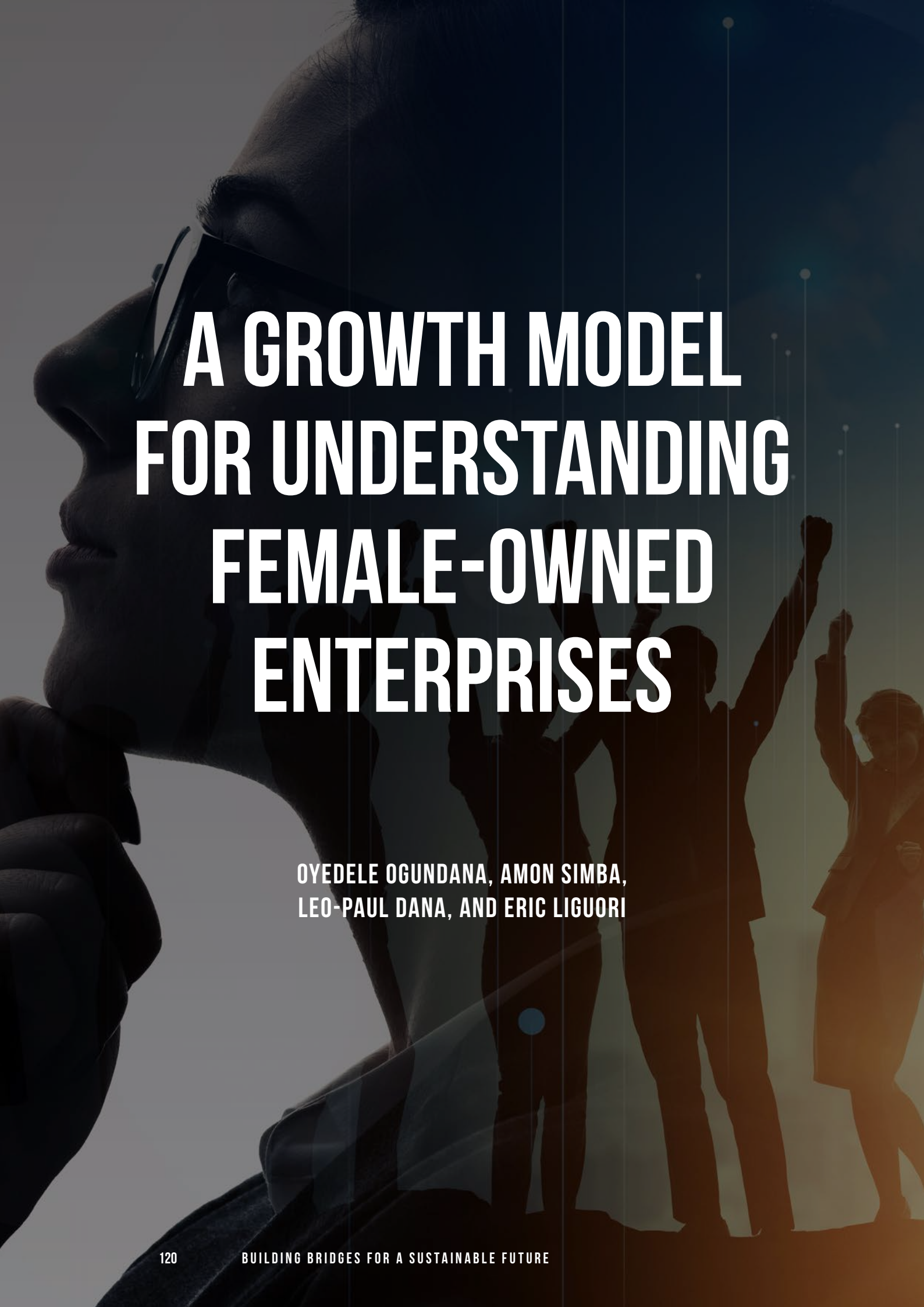
Faculty at business schools often conduct research that influences business practices and policy at various levels. This research can lead to better regulatory frameworks and practices that benefit society.

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<https://tinyurl.com/futuresocietalimpact>







A GROWTH MODEL FOR UNDERSTANDING FEMALE-OWNED ENTERPRISES

OYEDELE OGUNDANA, AMON SIMBA,
LEO-PAUL DANA, AND ERIC LIGUORI

Numerous policy initiatives designed to support the growth of female-owned enterprises in the developing economies have repeatedly failed to achieve their objectives. Research recognizes the lack of contextualized growth models for defining female-owned enterprises in such contexts as the main issue. Thus, and drawing from our qualitative data, we propose a growth model to account for the business development activities of female-owned enterprises from a developing economy perspective. Through analyzing our qualitative data, it emerged that money (access and utilization), management (nonformal education and experience), and market (customer intelligence) were direct determinants of the growth trajectories of female-owned enterprises. Motherhood (household and family), meso- (membership of professional networks and social learning), and macro-environment (sociocultural and economic issues) indirectly influenced their growth by mediating women's access and utilization of the aforementioned direct determinants. From that, we offer recommendations for practitioners including public authorities and key actors within the entrepreneurial ecosystem that provide the support infrastructure for female-owned enterprises in a developing economy.

Introduction

It is widely acknowledged in the gender and entrepreneurship literature that there is a lack of theoretical perspectives that capture the factors influencing the growth of female-owned enterprises operating within developing economies (Brush et al., Citation2009; De Bruin et

al., Citation2007; Hechavarria et al., Citation2019). We perceive this knowledge gap as the main issue that has contributed to a high rate of failure of policies meant to support the growth of the female-owned enterprise, particularly in developing economies (Kiviluoto, Citation2013; Strawser et al., Citation2021). Indeed, the 2016 report from Afrobarometer revealed that the success levels of public policies in developing countries were very low, with Gabon at 41 percent, Liberia at 32 percent, and Nigeria at 31 percent (Afrobarometer, Citation2016). According to the Organisation for Economic Co-Operation and Development (OECD), such high rates of policy failures can be reduced when policy makers obtain adequate information about female-owned enterprises in developing economies (OECD, Citation2000). A better understanding of female entrepreneurship is crucial in that

it helps to address the obstacles preventing them from achieving their full growth potential (Strawser et al., Citation2021). Thus, several scholars have hinted that a growth model for female-owned enterprises is required to provide a roadmap for guiding the establishment of effective support mechanisms that can advance the field of female entrepreneurship in developing economies (Hechavarria et al., Citation2019; Ogundana et al., Citation2021a; Strawser et al., Citation2021; Wiklund et al., Citation2009). Accordingly, this study evaluates, contextualizes, and extends Brush et al.'s conceptual framework into a fine-grained model that enfolds the growth determinants for female-owned enterprises in the context of developing economies.

ONE OF THE GREATEST CHALLENGES FACED BY FEMALE-OWNED ENTERPRISES IN DEVELOPING COUNTRIES IS SOCIOCULTURAL RESTRICTIONS.

A woman in a patterned dress stands in a field at sunset, her back to the camera. The background is a golden field under a warm, hazy sky. The text is overlaid on the left side of the image.

WHAT ARE THE CRITICAL SUCCESS FACTORS FOR SMALL FARMING BUSINESSES? EVIDENCE FROM ZAMBIA

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ABSTRACT

Small farming businesses play a cardinal role in most countries, as they contribute to food security, employment creation, and rural development. However, small farming businesses face a number of challenges that have potential to hinder their performance. The purpose of the study is to identify critical success factors for small farming businesses in Zambia. The study employed an exploratory approach that involved multiple cases of six small farm owners. Additionally, four experts from the agriculture industry were also involved in the study. Semi-structured interviews were used to collect data, which was analyzed thematically using Atlas.ti software. Seven common dimensions emerged as critical success factors.

These critical success factors include entrepreneurial characteristics, availability of financial resources, farm management practices, adoption of technology, knowledge, networking, and government support. The study provides implications that can help with development of the small farming businesses in Zambia.

Zambia serves as an apt representative in this study because it exemplifies the developing country context, particularly SSA, where the economies are largely agrarian, with a large rural population (Maniriho et al., 2021; Middelburg et al., 2020). Additionally, Zambia's agricultural landscape encapsulates the broader socioeconomic and environmental characteristics typical of developing countries, particularly in SSA (Ngoma et al., 2021). This makes it a suitable representative for the study's exploration of CSFs of SFBs. Using the theoretical lenses of the resource-based view (RBV) and resource dependence theory (RDT), this study will endeavor to uncover the CSFs from the perspective of small farm owners and experts from the agricultural sector in Zambia. This study contributes to small business literature in the context of developing countries, particularly SSA. Specifically, we identify CSFs of SFBs and develop a model of their interrelation-

ships. Understanding the CSFs of SFBs offers a blueprint for policymakers, practitioners, and development agencies seeking sustainable solutions for SFBs in similar contexts. By uncovering the CSFs, the study provides valuable insights that can be used by small farm owners and/or managers to make informed decisions and strategies. Small farm owners can direct their efforts on specific interventions that can potentially improve the overall performance of farm enterprises.

Furthermore, findings from this study can help direct policy formulation as well as assist government and other stakeholders to create targeted interventions aimed at supporting the SFBs based on the identified CSFs. **Theoretical background** This study adopts RBV and RDT as overarching theoretical frameworks to explore the CSFs for SFBs in the developing context of Zambia. RBV RBV is one of the most influential management and small business research theories. RBV was first introduced by Wernerfelt (1984), and J.B. Barney (1986) expanded it further. The theory contends that an organization's performance or success depends on internal resources and capabilities (read more here: tinyurl.com/zambiasmallfarming



WORLD TRADE ORGANIZATION AND MSMEs

BY AYMAN TARABISHY

Informal Working Group on Micro, Small & Medium-sized Enterprises (MSMEs)
Today, 95% of companies across the globe are MSMEs, accounting for 60% of the world's total employment. However, MSMEs face a number of obstacles when seeking to participate in international trade. To address these obstacles, 88 WTO members signed a statement at the WTO's 11th Ministerial Conference (MC11) in December 2017 declaring their intention to create an Informal Working Group on MSMEs to explore ways in which WTO members could better support MSMEs' participation in global trade. The Informal Working Group met for the first time in March 2018.

Why an Informal Working Group on MSMEs?

1. According to the 2016 World Trade Report, firms with fewer than 250 employees account for 78% of exporters in developed economies but only 34% of exports. These figures remained essentially unchanged in a 2022 update when

industrial firms were found to account for only 36% of the total value of exports and 41% of imports. In developing countries, MSMEs' direct exports amount to only 11% of total sales in the manufacturing sector, compared with nearly one-third (32%) for large manufacturing enterprises.

2. Today, more than 90% of companies across the globe are MSMEs, accounting for roughly two-thirds of the world's total employment. However, MSMEs face several barriers when seeking to participate in international trade, including:

1. Limited access to finance, especially trade finance
2. Lack of relevant skills and knowledge about international markets
3. Non-tariff barriers and cumbersome regulations
4. Complex border procedures

The smaller the company, the greater these challenges become (ADB, 2023; ITC, 2018).

What is the WTO MSME Informal Working Group (MSME Group)

1. To address these obstacles, 88 WTO members signed a statement at the WTO's 11th Ministerial Conference (MC11) in December 2017 declaring their intention to create an Informal Working Group on MSMEs to explore ways in which WTO members could better support MSMEs' participation in global trade. The Informal Working Group met for the first time in March 2018.

2. The MSME Informal Working Group seeks to integrate MSMEs fully into global trade. In the Joint Statement issued in December 2017, the Group committed to identifying solutions that would help companies, particularly MSMEs, increase their participation in world trade while considering the specific needs of developing economies.

3. As of May 2024, 102 WTO members participated in the Informal Working Group discussions. These participants cover all regions of the world and all levels of development, accounting for around 90 percent of world exports. Ambassador Matthew Wilson of Barbados is currently coordinating the initiative. Previously, Ambassador Jose-Luis Cancela of Uruguay coordinated the Group from February 2018 through April 2023. Before that, in the lead-up to MC11 in Buenos Aires through January 2018, discussions were led by Chile's Ambassador to the WTO, H.E. Mr Hector Casanueva.

What has the MSME Group accomplished?

1. The first deliverable of the MSME Group

was a package of six recommendations and declarations that was adopted on 11 December 2020 (INF/MSME/4 and INF/MSME/4/Rev.2):

1. Recommendation on collecting and maintaining MSME-related information (Annex 1). There is no systematic coverage of MSMEs in regular WTO Trade Policy Reviews (TPRs), so the MSME Group encourages WTO Members to voluntarily provide MSME-related information, such as statistics or support programs. As part of Annex 1, the Secretariat developed and maintains a database of all MSME references in WTO Members' TPRs WTO | MSME references in trade policy reviews.

2. Declaration on access to information (Annex 2). This declaration calls for the prompt operationalization of the ITC-UNCTAD-WTO Global Trade Helpdesk, an online resource for trade procedures and market

information. This point also calls for the voluntary submission of information to support this resource.

Recommendation on trade facilitation and MSMEs (Annex 3). This recommendation calls for fully implementing the Trade Facilitation Agreement (TFA). It advocates for direct engagement with MSMEs when conducting consultations related to the TFA, and it encourages the exchange of experiences among WTO Members on involving smaller businesses in the TFA implementation process. Finally, it notes that WTO Members should identify opportunities to adopt digital solutions to simplify and speed up customs procedures.

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Recommendation on promoting MSMEs' inclusion in regulatory development in trade (Annex 4). Regulatory burdens are often relatively heavier the smaller the business. These burdens can be minimized by assessing new trade rules' impacts on MSMEs before they come into effect and by providing sufficient opportunity for MSMEs to review and comment on proposed trade regulatory changes. Annex 4 encourages WTO Members to consider the specific needs of smaller businesses and promotes the exchange of good practices for MSME regulatory consultations and impact considerations.

1. Recommendation on MSMEs and the WTO Integrated Database (Annex 5).

This annex supports implementing the May 2019 Integrated Database (IDB) Decision. The WTO IDB is the official source of tariff and other trade-related information, and the 2019 decision updates its operation. WTO Members are encouraged to provide additional information to the database and to set

up voluntary agreements with the WTO Secretariat for the automatic electronic transmission of tariff and import data.

Declaration on addressing the trade-related aspects of MSMEs' access to finance and cross-border payments (Annex 6). The last annex calls on MSME Group members to engage in relevant fora to identify concrete measures through exchanging good practices and information sharing on technical assistance. The annex also welcomes international initiatives such as the global legal entity identifier (LEI) and encourages all WTO Members to consider trade-related aspects of MSMEs' access to finance.

The 2020 Package remains active, and members continue to implement its recommendations.

1. The MSME Group launched the Small Business Champions Initiative in 2021, an annual contest carried out jointly with the International Chamber of Commerce (ICC)



and the International Trade Centre (ITC) that rewards outstanding projects that support MSME trade and development. Each year, a different theme is chosen, and other partners, including Zoom, Google, and the World Intellectual Property Organization (WIPO), have joined at various points in time to support. All past competitions can be reviewed at the following web address, which includes descriptions of the winners and their projects: [WTO | ICC-ITC-WTO MSME Group Small Business Champions](#).

2. Another key deliverable of the MSME Group from December 2021 is the Trade4MSMEs website. The Trade4MSMEs website serves as a gateway to trade information for MSMEs, policymakers, and researchers, with guides on relevant topics and a significant library of verified resources. Building on the partnership between key international organizations that provided the information for the website, the Trade4MSMEs Network was established in June 2022 among roughly 20 International Organizations working on MSME and trade-related issues. The Trade4MSMEs Network meets annually to update one another on work undertaken to support each organization's MSMEs. For MSME Day, an improved version of the Trade4MSMEs Platform, including new guides and country pages, was launched in June 2023.

3. Tied with the revamp of the Trade4MSMEs website and in strategic partnership with the Institute for Export & International Trade (IOE&IT), the MSME Group launched the online Trade Game, a novel approach to export readiness and trade learning. The Trade Game ([trade4msmes.org](#)) challenges players to export their product successfully within a time limit and set a budget, guiding participants through the questions a small business exporter might have to face.

4. Before the 13th WTO Ministerial, the MSME Group worked to compile two compendiums. The first, developed jointly with the Informal Working Group on Trade and Gender and the ITC, contains more than 70 national and international initiatives to promote financial inclusion of women-led small businesses (INF/MSME/W/46/Rev.1 & INF/TGE/W/7/Rev.1). The second, which was developed together with the collaboration of the World Customs Organization (WCO), contains good practices for MSME-targeted authorized economic operators (AEO) programs to foster the participation of small businesses in such programs and allow them to benefit from their advantages, such as accelerated customs clearance (INF/MSME/W/47/Rev.1). Both compendiums will be updated regularly as new programs are identified.

5. The MSME Group has also maintained a strong interest in MSME trends within regional trade agreements (RTAs). In 2019, the Secretariat undertook an exercise at members' request to identify all RTAs with MSME references and the associated chapters, which were compiled into a searchable database. The MSME Group also welcomed a series of WTO Secretariat notes on MSMEs and RTAs as well as a review of findings from the RTA database (INF/MSME/W/6, INF/MSME/W/6/Rev.1, INF/MSME/W/6/Rev.2, INF/MSME/W/6/Rev.3 and INF/MSME/W/40). The MSME Group later issued a call for research papers in 2023 and received three submissions available publicly as INF/MSME/W/48.

6. The MSME Group seeks to interact directly with small businesses through workshops, events commemorating the United Nations MSMEs Day, and an annual meeting with the private sector. Under the document symbol INF/MSME/P, the MSME Group can receive recommendations directly from companies or representative groups from the private sector. The Group

continues publicizing its work through a regular newsletter with updates on documents, deliverables, and presentations. Those interested in subscribing may do so by emailing MSMEGroup@wto.org.

7. The MSME Group prides itself on its openness and flexibility. It has collaborated with other WTO groups, including the WTO Informal Working Group on Trade and Gender and the Trade and Environmental Sustainability Structured Discussions (TESSD). These three groups held a joint event in 2023 on “Women-led MSMEs, Trade and Climate Change – Adapting and Investing for the Future” as well as a joint session at MC13 titled “Paving the Way to Strengthening Trade Inclusiveness through WTO Members’ Initiatives.” This collaboration fits the MSME Group’s objective to promote coordination and information exchange on MSME-related issues with other regular WTO working bodies. As part of this objective, the MSME Group members do their best to encourage MSME-related discussions within any relevant WTO body.

Looking forward, what are some next steps for the MSME Group:

1. A priority of the MSME Group is its 2020 Package of recommendations and declarations. The MSME Group will continue to monitor its implementation and look for new ways to implement the various points.
2. The MSME Group also intends to focus on issues of core significance to MSMEs and identify actions that could

be taken to promote MSMEs’ participation in international trade, building on its previous work. Based on the success of the 2024 compendiums, MSME Group members are interested in continuing to work to exchange good practices in areas of interest to the Group and to organize workshops and information sessions as appropriate.

3. Looking ahead, the MSME Group plans to continue its discussions both within the WTO and its various Groups and externally with the private sector and Trade4MSMEs Network. The MSME Group and its members will continue the annual meeting with the private sector and dialogue with other international and regional organizations that work on MSME issues to promote coordination of action at the global level.

4. The MSME Group and its members will continue supporting the future development of the Global Trade Helpdesk and the Trade4MSMEs platform as online repositories of trade information and resources for MSMEs and trade policymakers.

5. Finally, the MSME Group plans to continue exploring joint events and messaging with other WTO Committees and informal groups, including the Informal Working Group on Trade and Gender, the Trade and Environmental Sustainability Structured Discussions, and the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade.

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**TOP TEN THINGS THAT RESEARCH TELLS
US ABOUT ECOSYSTEMS
(PLUS IMPLICATIONS FOR US!)**

BY NORRIS KRUEGER

My Top Ten Realities for Ecosystem Builders

1) Practitioner research is ahead of academics in many ways (not just Kauffman.. think Brad Feld!)

Implication:

Cast your net widely when doing your homework. *two of my go-to gurus, Erik Pages, Don Macke (both have tons of good research and tools!) [also: <http://www.bit.ly/NKecosystemVid>]

Implication:

Corollary – communities that connect outside their region do better. How can we fight the Not Invented Here syndrome? How can WE stay in touch?

2) Brad's key point, the voice & choice of the entrepreneurs must drive the boat, IS supported by research – No doubt, bottom-up matters.

Implication:

In everything you do, keep a laser focus on how to keep it bottom-up, entrepreneurial!

2a) Bottom-up always outdoes top-down but... Unfortunately, THE dominant thinking among policy makers is top-down. The Triple Helix argues that all you need is to bring together academe, government & industry groups and... magic happens? Most cluster studies assume that it's the institutional players that matter most.

Implication:

Focus on how to get even your most powerful institutions listening.. and hearing.

2b) Brad's 2nd point, "be inclusive of the whole stack", holds as well. Best payoffs aren't gap-filling but help multiple industries, types of venture, life cycle stages, etc.

Implication:

How can we craft 'rising tide' strategies? Avoid overly targeted strategies?

3) Know that true economic development is disruptive. When most ecosystems take off, the 'good ol' boy network' gets disrupted, even subverted. Revolutions always have serious inside help.

Implication:

They will fight back but you can always find pro-disruption 'double agents'

4) Ecosystems are about people: That means focus on trust. Where communities get the right people on the bus (the trustworthy) and the wrong people off the bus (the untrustworthy, no matter how highly placed).. things move. yes, Bob Sutton was right...

Implication: Be ruthless about starting with the deeply trustworthy. The 'big tent' IS a mirage.

5) Instead focus on the connectors. More important, focus on the superconnectors, the liaison-animateurs who are proactive and great and connecting the connectors.

Implication:

Understand the connectivity; find the selfless connectors. Fun tool: bit.ly/Karen_S

6) Good news: Mapping is very good (and roadmapping) according to research. Bad news: Most communities stink at it.

Implication:

You gotta check out Sourcelink (and their "Rail"). And ask me about "google mapping." And EcoMap.tech and Startup Commons/Digirole!

7) Don't be Sauron. Ecosystems are NetworkS (plural). It appears impossible for a community to move forward under one big umbrella (research is clear that the 'big tent' is a mirage). Think networks of networks that are connected and overlap to varying degrees – you have a financing ecosystem, a learning ecosystem, different industries, etc., etc.

Implication:

Encourage this view: Superconnectors really help, so figure out to help them and grow more. Connectors are people not organizations. BTW: Students could be your secret weapon!

8) Align Resources By Distinctive Competences – research argues two counterintuitive things. First, focusing on strengths (e.g., Asset-Based Community Devel) works much, much better than trying to remediate weaknesses. Not politically popular but... it does

work. Second, distinctive competencies not core competencies. That is, ecosystem participants can't focus on what they are best at (or what they prefer to do) but where they add the most value (just like in the marketplace).

Implication: Focus on building on strengths, especially if sustainable. Identify who's best at various key ecosystem roles, even if painful (e.g., universities are rarely, if ever, the best spots for entrep edu.)

9) Metrics Matter, so Get Them Right... for you: You do get what you measure, so get good at measuring. Focus on the dynamics, focus on the connectivity.

Implication:

Check out the pros at this, Startup Genome had Dane & JF at the Summit. Kauffman's Arnobio is also a data maven. They're MY gurus.



10) Best for last... Key Drivers of Entrepreneurial Economies per the Global Entrepreneurship Monitor are (a) How broad and deep is the understanding of the entrepreneurial mindset? In prospective entrepreneurs? In the media, institutions, government, your... Mom? (b) Entrepreneurial culture – how much of entrepreneurship and innovation is in the water? Usually, these means the ecosystem is healthy and growing. The first is human capital, the 2nd is social capital. You need both. (and if you want to reduce barriers – GEM’s third key driver – you need both.)

Implication:

How do move all three pieces forward? Find synergies between human and social capital? How do we advance both?

p.s. Why does #10 matter? Back in 2017, the Kauffman State of Entrepreneurship Address emphasized three key foci: Entrep education, growing ecosystems, and Zero Barriers. Great minds think alike?





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