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G20 Young Entrepreneurs' Alliance
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The promise of digital entrepreneurs

Creating 10 million youth jobs in the G20 countries

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Foreword

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Young entrepreneurs are the driving force behind job creation in the G20 countries. Powered by their relentless efforts to innovate and embrace digital technologies, they are committed to achieving strong growth and job creation. Key to their success are the innovation ecosystems shaped by large companies and other "bridgemakers" that help entrepreneurs translate their ideas into marketable products and services, fostered by business-friendly government policies. Indeed, new Accenture research concludes that 10 million more youth jobs could be created in G20 countries if existing barriers to entrepreneurship were lifted.

These are among the major findings of this report, "The promise of digital entrepreneurs: creating 10 million youth jobs in the G20 countries" published by Accenture and the G20 Young Entrepreneurs' Alliance. The report—based on a survey of 1,080 entrepreneurs in all G20 countries as well as workshops, online forums and expert interviews—looks at the critical role that open innovation, globalization and access to skills and talent play in helping entrepreneurs achieve the scale required to create jobs and grow. It also examines the barriers to entrepreneurial success and recommends actions that can help entrepreneurs overcome big challenges.

Among the entrepreneurs surveyed, 83 percent believe that innovation, especially technology-fueled innovation, is vital to grow their business and create jobs. For example, SMAC technologies (social, mobility, analytics and cloud) enable entrepreneurs to build new business models, participate in the sharing economy and create solutions that answer critical needs, such as remote health monitoring, at an affordable cost.

The research also indicates that today's young entrepreneurs are "born global." They believe strongly that global expansion is important to job growth and that digital technologies facilitate such expansion. In fact, 70 percent of entrepreneurs who launched their firms in the past 12 months are already contemplating international expansion. However, as they strive to localize offerings in new markets, entrepreneurs are often faced with a severe shortage of people their business demands.

In order to remove barriers to growth, business and government must work together to find solutions. Most public policies are largely fragmented and considered insufficient by the entrepreneurs we surveyed. Only a fourth of the entrepreneurs believe the actions taken by their government to support entrepreneurial innovation and youth job creation are relevant and efficient, and one-fifth believe their government has not done enough to support their international expansion efforts.

Stepped-up action is required on a number of fronts. Beyond the traditional, yet fundamental, "ask"—increased access to funding, simplification of red tape, increased tax incentives and labor market flexibility—new topics of discussion are emerging that reflect the changing economy. These include: a greater focus on producing science, technology, engineering and math (STEM) graduates; a stronger effort to foster an entrepreneurial culture among young people; a harmonized framework to support the international mobility of data; lending support to the emergence of the sharing economy and of the "social entrepreneur," and development of international funding networks.

Clearly entrepreneurs cannot achieve success by themselves. In order to innovate, globalize and attract the right talent, they need adequate support from regulators, and they need to be part of a vibrant entrepreneurial ecosystem.

More than three-quarters of the entrepreneurs we surveyed see open innovation as a key enabler, and they welcome collaboration with large companies, customers, R&D institutes, incubators or accelerators, non-profit organizations and other start-ups. These collaboration partners play a critical role in the innovation process. They are bridgemakers that serve as the conveyor belt between the supply of innovation (entrepreneurs) and the demand for it (customers and governments using it).

Accenture is an integral part of the innovation ecosystem. We have created many programs designed to develop and promote innovation, including an open innovation ecosystem with universities, technology partners and clients to accelerate the development of start-ups. We are delighted to partner with the B20, the G20 Young Entrepreneurs' Alliance and governments to provide inputs and recommendations and to make sure that entrepreneurs are represented in the evolving policy environment.

Every large enterprise has an opportunity to become a bridgemaker. The more we can do to foster the growth of our young entrepreneurs, the greater the chances that economic vitality will return to the G20 economies.

Jeremy Liddle
Entrepreneur & President,
G20 YEA Australia

In December 2013, Australia assumed the role as Chair of the G20, a position that is surrounded with immense responsibility and complexity, but more importantly, the potential for a significant and enduring positive impact on the world's future.

The priorities under Australia's G20 chairmanship (sustainable and inclusive growth, employment, investment in infrastructure, trade, driving the commercialization of innovation and increasing the participation of women in the workforce) are all outcomes that result from building ecosystems that create and enable high-growth entrepreneurial small and medium enterprises (SMEs). Investment in SMEs is essential for the G20 to achieve the 2 percent increase in global GDP committed to in 2014.

The G20 Young Entrepreneurs' Alliance (G20 YEA) is a collective of leading entrepreneurship NGOs representing more than 500,000 entrepreneurs across G20 countries and the European Union that have already created an estimated 5 million jobs. In 2014 more than 400 young entrepreneurs and leaders from 37 countries selected to represent the voice of the world's future business leaders attended the G20 YEA Summit in Sydney from 18th July.

It has been very encouraging to see Aaron McNeilly, Sherpa for G20 YEA Australia, leading a positive engagement with The Hon Bruce Bilson, Australia's Minister for Small Business. We are very pleased to host the Minister at the G20 YEA Summit in representation of the Australian government. We are also very grateful for the positive and encouraging words from Prime Minister The Hon Tony Abbott and the work of the Office of the Prime Minister and Cabinet in assisting and facilitating the G20 YEA's Government engagement.

The G20 YEA is very pleased to assist and build on the acknowledgement of youth and entrepreneurship in the 2013 G20 leaders declaration, B20 human capital taskforce, T20 and Y20 recommendations. We are very encouraged by the commitment of the G20 employment working group to address youth unemployment in their employment plans. We extend heartfelt thanks to Robert Milliner, Mike Callaghan and Holly Ransom for their leadership, guidance and collaboration. We hope to see the relationships with these official engagement groups continue to improve throughout 2014 and into Turkey's chairing of the G20.

We are particularly thankful and excited about the depth, strength and impact of our partnership with Accenture and we hope that this is a long and enduring partnership that continues to create positive impact for many years to come.

Jean-Louis Grégoire
Committee Chair,
G20 YEA Partnership and Thought Leaders

Youth unemployment has reached critical level to potentially become a political ticking bomb. Recent reports from international organizations keep highlighting the vital role that the SME sector plays in job creation in the G20 countries, with SMEs being responsible for more than two-thirds of employment in the private sector and providing more than 80 percent of net job growth.

It is vital to create the conditions for 'champions' to emerge, given that the 5 percent of entrepreneurs who grow the most create over 50 percent of the total number of new jobs created by entrepreneurs.

In the G20 Young Entrepreneurs' Alliance, we passionately believe that entrepreneurs have their say in the youth employment challenge the G20 countries face, both from developed countries and emerging countries. To take full advantage of the benefits entrepreneurship can bring, the G20 governments need to take some decisive action. In order to prepare concrete proposals, the G20 YEA commissioned this report to:

- Measure the impact of areas such as *trade and globalization*, *technology innovation* and *skills and human capital development* to trigger growth and foster employment
- Pinpoint the barriers entrepreneurs and SMEs face
- Identify best practices and provide recommendations for consideration when forming policy and regulations locally to encourage job creation by entrepreneurs

We are pleased to present you with the results of this study conducted by Accenture and we hope that the ideas presented here will serve as a guide for government members, policy makers and key opinion leaders to unleash sources of job creation for the youth in the G20 countries.

About the G20 Young Entrepreneurs' Alliance Summit

The G20 Young Entrepreneurs' Alliance (G20 YEA) is a collective of leading entrepreneurship not-for-profit organizations representing more than 500,000 entrepreneurs across G20 countries who seek to promote youth entrepreneurship as a powerful driver of economic renewal, job creation, innovation and social change. Country members include: Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, South Korea, Saudi Arabia, Turkey, the UK, the US, South Africa, Argentina and the European Union.

Executive Summary

Young entrepreneurs are the G20 countries' job creators.

According to OECD research[1], young firms (those five years old or younger) generated nearly half of all new jobs created in the past decade, while accounting for only about 20 percent of non-financial business sector employment. During the crisis, most of the jobs destroyed were the result of established businesses downsizing, while net job growth in young firms remained positive.

Given the preceding, it's not surprising that entrepreneurs in 2014 continue to consider themselves a key driver of the economy. Research conducted by Accenture and the G20 Young Entrepreneurs' Alliance (G20 YEA) found a majority (62 percent) expect to post revenue growth of more than 5 percent, and 85 percent say they are critical to creating jobs for young people in their country.

The Accenture–G20 YEA research also discovered the more innovative young entrepreneurs are, the more confident they are in creating jobs.

Ninety-one percent of those saying innovation is critical or important to them also plan to create jobs in 2014—compared with 61 percent of those who don't find innovation critical or important to their business.

At the heart of entrepreneurs' innovation and economic competitiveness lie digital technologies: social media, mobile computing, big data, cloud, "the internet of things" and the like, which most entrepreneurs have enthusiastically embraced. Emerging in the past five years, these technologies are now reaching a critical mass.

In the process, they are having a significant impact on businesses in all industries, as companies focus on new ways they can weave these technologies into the next generation of their business strategies. Like their big-company counterparts, most entrepreneurs plan to invest in digital to not only improve the top line by seizing substantial new growth opportunities, but also make their processes more efficient and reduce their operating costs; to a large extent, every young entrepreneur is now a digital entrepreneur.

Barriers to scaling limit entrepreneurs' ability to create more jobs

But fulfilling their potential as economic engines and job creators is only possible if entrepreneurs can scale their business to become champions in their industry. Typical scalability challenges cited by entrepreneurs participating in Accenture's research include the following:

- **Gaining access to funding.** Ideally, sufficient funding is available to generate early-stage growth, but capital needed to grow further remains too limited in most cases.
- **Perpetuating innovation.** While innovation is part of the DNA of the founders of entrepreneurial businesses, scaling distribution and sustaining an innovation mindset as the company grows can be difficult.
- **Breaking through country borders.** Although internationalization is an important driver of scalability, too few start-ups have the tools to effectively expand beyond their home countries, although a majority want to.
- **Securing the right skills.** Having the right talent on board is one of the most critical drivers of start-up growth, but the required skills can differ considerably, depending on a company's stage of development.

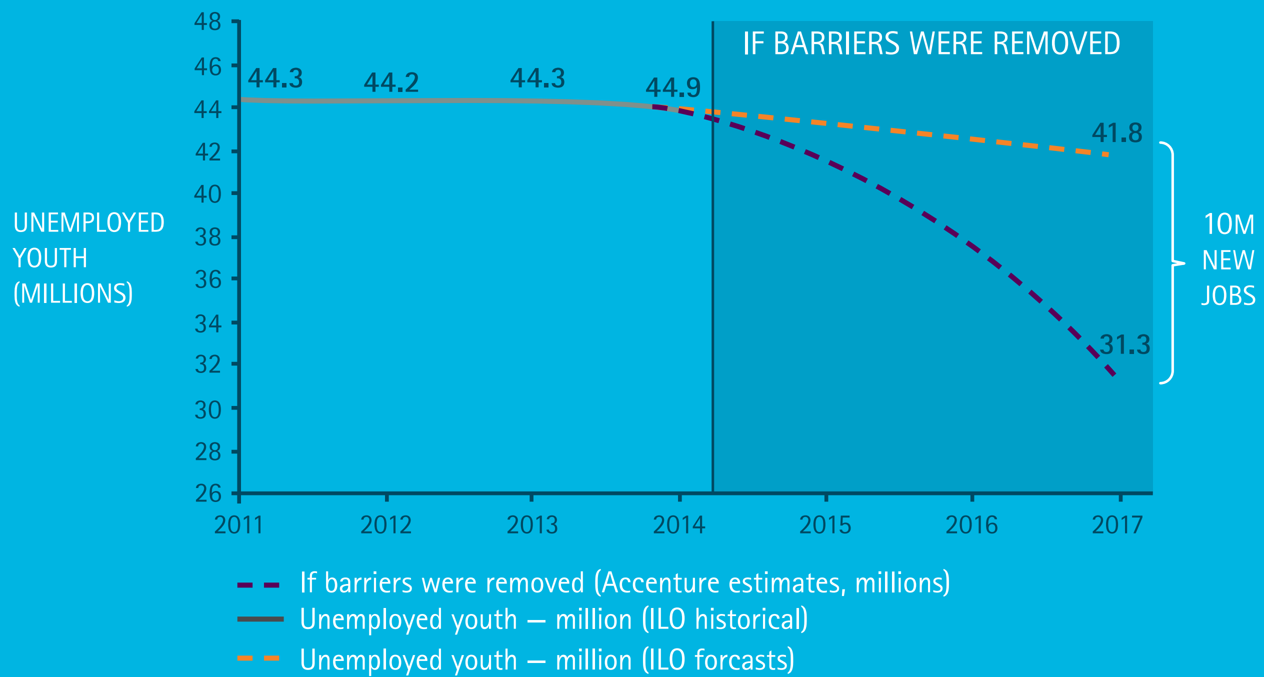
Ten million new jobs can be created by fostering vibrant technology-enabled ecosystems (entrepreneurs, large companies and other bridgemakers) and business-friendly government policies

The significance of these barriers cannot be overstated. They are some of the biggest obstacles preventing entrepreneurs from having a greater impact on unemployment.

In fact, if these and other barriers to growth were removed, Accenture models indicate that entrepreneurs could create approximately 10 million jobs for young people, the most chronically unemployed sector of the G20 active population. The knock-on effects across the economies would be widespread and substantial.

In the report for this year's G20 Summit, Accenture focuses on how to help entrepreneurs fulfill their growth and job-creation potential. The report looks at the role three factors can play in fostering scalability—open innovation, globalization and access to skills and talent. It explores the critical role large companies and other enablers called bridgemakers play in accelerating entrepreneurial growth. And it discusses a set of recommended policy actions that create a more nurturing environment for entrepreneurs and help them achieve their business goals.

The promise of digital entrepreneurs: creating 10 million youth jobs in the G20 countries



Source: Accenture Research scenario based on historical ILO Global Employment trends[2]

Entrepreneurs thrive on digital open innovation: partnering with large companies accelerate translating ideas into marketable products

According to the Accenture–G20 YEA survey, the vast majority of entrepreneurs believe innovation is critical to their ability to grow and create jobs. However, the survey also revealed that innovation does not flourish in isolation: Entrepreneurs innovate as part of an "open" innovation ecosystem that includes many different parties far outside the walls of the organization.

Evidence of entrepreneurs' "openness" is seen in the extent to which entrepreneurs collaborate with others. Nearly nine in 10 indicated they collaborate with customers to co-create offerings, while between one-half and two-thirds said they collaborate with a variety of organizations—including public institutions or governments, academics or universities, R&D institutes, incubators or accelerators or non-profit organizations (such as foundations). Just under three-quarters said they collaborate with peers or other small businesses or with large companies.

These collaboration partners play a critical role in the innovation process: They are "bridgemakers," serving as the key link between the supply of innovation (entrepreneurs) and the demand for it (customers and governments using it).

Business incubators, private or publicly backed, have long been vital resources for start-ups, offering a wide range of resources and helping shape the entrepreneurial ecosystem. Increasingly, however, large companies are realizing the mutual benefits of open innovation and are expanding their role in the entrepreneurial ecosystem. Some have now developed their own accelerator programs to provide venture capital funds, mentoring and access to their marketing and sales resources that can help entrepreneurs translate their ideas into marketable offerings customers can purchase. Indeed, entrepreneurs benefit most when large companies play the role of bridgemaker.

Large-scale open innovation is boosted by the rise of new digital technologies, which support participation by a large number of geographically dispersed participants and provide opportunities to create new business models. In fact, every entrepreneur is now a digital entrepreneur and many of them are focusing their innovation efforts on the so-called "sharing economy": business models that heavily use digital platforms to enable consumers and businesses to actively share and exchange assets, products and services for mutual benefit. The rise of the sharing economy has been driven by an explosion of start-ups and widespread experimentation between large companies and entrepreneurs. While profits thus far for most sharing economy businesses have been limited, sharing-based enterprises have great potential to transform the larger economy across the G20.

The new generation of entrepreneurs is "born global": bridgemakers can accelerate access to local markets

In addition to innovation, the Accenture–G20 YEA survey found that entrepreneurs are using globalization to help fuel their growth. International expansion is on the minds of most entrepreneurs surveyed, irrespective of their size. The newer the companies, the more global their mindset: seven in 10 companies launched in the past 12 months already think about global expansion as a source of growth, a much higher proportion than older companies.

New technologies are helping make globalization a reality, as they dramatically open up markets, reduce the costs of international expansion and increase the flexibility of operations. Almost three-quarters of surveyed entrepreneurs who plan to expand internationally felt that digital technologies are important to the success of their international expansion. Digital provides a global springboard for entrepreneurs with innovative products and services to access new markets, cross-border financing and global ecosystems.

Importantly, firms considering international expansion a priority expect faster revenue growth than their locally focused peers and as a result, expect to create more jobs. Interestingly, they typically expect to create more jobs at home than overseas as a result of international expansion: creating jobs at home and abroad is not mutually exclusive; on the contrary, it is a mutually reinforcing virtuous circle in most cases.

But the challenges of localizing their offerings in new markets remain significant barriers to success, especially for smaller firms. These challenges include finding the right partner, building sufficient local market knowledge, understanding local regulations, finding local skilled resources, getting access to affordable finance and containing logistics costs.

Bridgemakers and, in particular, multinational companies have a key role to play in enabling entrepreneurs to address these challenges—by helping entrepreneurs establish global business relationship, gain access to foreign investment and local distribution capacity, and enhance their overall credibility.

Entrepreneurs succeed or fail on talent: skills shortage hits entrepreneurs hard

A third key lever in the success of entrepreneurial ventures is talent. Yet according to the Accenture–G20 YEA survey, a number of barriers make it difficult for entrepreneurs to hire as strongly as they could, which in turn is preventing entrepreneurs from doing more to spur employment across the G20.

Whether the firm is large or small, availability of appropriate skills is the single biggest barrier to recruiting more young people. Six in 10 entrepreneurs said difficulty accessing the right talent was one of their top three recruiting concerns. In addition, 78 percent said they have challenges recruiting the right skills in their development. The scarcity of talent was felt by entrepreneurs in both manufacturing and services, as well as firms both young and old.

More than half of entrepreneurs also highlighted the relative costs for them to hire and train young people—a cost they often find difficult to afford when scaling their business—and they cited the lack of incentives targeted at hiring young people as an impediment to growth.

Labor market inflexibility and government regulations and compliance requirements were also seen as barriers to hiring by 48 percent and 43 percent of entrepreneurs, respectively.

To be sure, some entrepreneurs find ways to overcome these barriers and grow in spite of them. But many more do not, which means many jobs are never created. However, if the three groups of main stakeholders (entrepreneurs, large companies and other bridgemakers), enabled by governments, can develop coordinated actions at scale, entrepreneurs will generate significantly more jobs than they would if they are left to develop their businesses on their own. Accenture research and analysis shows that this “3+1” virtuous circle could help entrepreneurs create 10 million new youth jobs[2], which would reduce youth unemployment from 13 percent to 10 percent.[3]

Policy and regulatory issues also pose challenges: entrepreneurs expect budding G20 reforms to be amplified

Entrepreneurs believe governments can play a major role in helping to eliminate barriers to starting and scaling businesses. Governments themselves agree. Many have taken steps to provide stronger support to entrepreneurs, enacting policies designed to help start-ups get funding, expand globally, take advantage of the digital infrastructure and find and hire innovative talent.

But while welcome, those initiatives are far from sufficient in the eyes of entrepreneurs. Only about one-fourth of all entrepreneurs surveyed think that actions taken by their government to support entrepreneurial innovation are relevant and efficient; one-fifth feel that their government has done enough to support their international expansion; and one-fourth consider the actions taken by their government to support youth job creation as relevant and efficient.

Entrepreneurs surveyed believe governments have significant opportunities to improve their performance in these three areas, and cited numerous actions they would like to see governments take to help them succeed.

For instance, they said governments can substantially boost entrepreneurial open innovation by:

- Simplifying regulations
- Developing tax incentives to encourage open innovation
- Opening public procurement to small businesses
- Helping entrepreneurs access funding at various stages in their lifecycle
- Encouraging systemic approaches that enable entrepreneurs, large businesses, bridgemakers, and government to foster open innovation and youth job creation at the local level

They think governments can foster global expansion of entrepreneurial companies through:

- New global trade agreements
- Boost international financing
- Programs that facilitate mobility of talent across borders
- Initiatives that encourage the creation of communities or clusters of entrepreneurs across the G20

And they believe governments can help them create more jobs via a variety of efforts—including those that:

- Support vocational training and apprenticeship
- Produce more science, technology, engineering and mathematics (STEM) graduates
- Increase general labor market flexibility
- Foster an entrepreneurial culture among younger people
- Encourage development of more agile types of working environment and forms of employment
- Facilitate development of new categories of companies focused on social outcomes as much as on economic and financial ones

As a key stakeholder in the G20 economy, governments must do all they can to make it easier for entrepreneurs to create viable businesses and grow them in concert with market demands.

When they do, everybody wins.

Conclusion

The economic challenges facing the G20 are indeed formidable. Businesses and governments alike must find ways to remove the barriers to generating stronger, sustained growth and reducing youth unemployment.

Entrepreneurs represent a promising, potentially landscape-altering, solution. Historically the engines of economic growth, entrepreneurial businesses can help restore vitality to G20 economies by unleashing innovative products and services that can stimulate demand. In the process, as they grow and scale at speed, thanks to the possibilities offered by the digital transformation of economies, they can create millions of jobs—especially for young people.

But they cannot do it alone. To have the most success—and, by extension, the greatest positive impact on the economy—entrepreneurs need the help of other influential entities. In particular, they need large companies that can help them accelerate their innovation efforts, bridgemakers that can help connect their new ideas with customers, and governments that can create a more supportive and nurturing policy environment for fledgling and growing new businesses.

Working together, entrepreneurs, large companies, other bridgemakers and governments can provide the momentum the G20 needs to restore economic growth and put people back to work.

Definitions

Innovation

Innovation is defined in the Oslo Manual as including product innovation, process innovation, marketing innovation and organizational innovation. Innovation is interpreted by Accenture as "a new way of doing things that adds value" in the fields listed above.

Entrepreneurs

Entrepreneurs are defined by the OECD-Eurostat Entrepreneurship Indicators Program as those persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets. In this report, the focus is on "employer enterprises," which are more closely related to the notion of entrepreneurship as a driver of job creation and innovation than micro enterprises (those that provide some form of subsistence to the owner, usually self employed and without employees).

Youth unemployment

The International Labor Organization defines youth unemployment rate as the number of unemployed youth (typically those 15 to 24 years old) divided by the youth labor force (employment + unemployment). Specifically, the unemployment rate is a measure of the inability of an economy to generate employment for those persons who are not employed but are available and actively seeking work.

Chapter 1:

Entrepreneurs thrive on digital open innovation

"Innovation is not only in the entrepreneurs' culture, it is the primary force underpinning company creation. What is at stake is to maintain creativity in the long run." — François Bieber, CEO, Kwanko

Innovation is critical to the long-term success of any business. Without a steady stream of new ideas, enterprises risk being passed by and eventually may face difficulties in growing. Innovation boosts a company's top line by increasing competitive advantage and customer satisfaction and diminishing the chance of disruption by more forward-thinking companies. Operationally, innovation helps enhance the bottom line by increasing efficiencies that save time and money.

But beyond being an engine of profitable growth for companies, innovation benefits the larger community. It plays an important role in increasing the vitality of an industry and society by creating jobs and raising the standard of living.

Open Innovation—facilitated by digital technologies—is the fuel for entrepreneurs' growth

Perhaps nowhere is innovation more critical than in the entrepreneurial world. Innovation is the driving force for entrepreneurs, who view innovation as critical to their ability to grow and create jobs. Indeed, in Accenture's survey of entrepreneurs across G20 countries, 83 percent said innovation is vital to grow their business and create jobs.

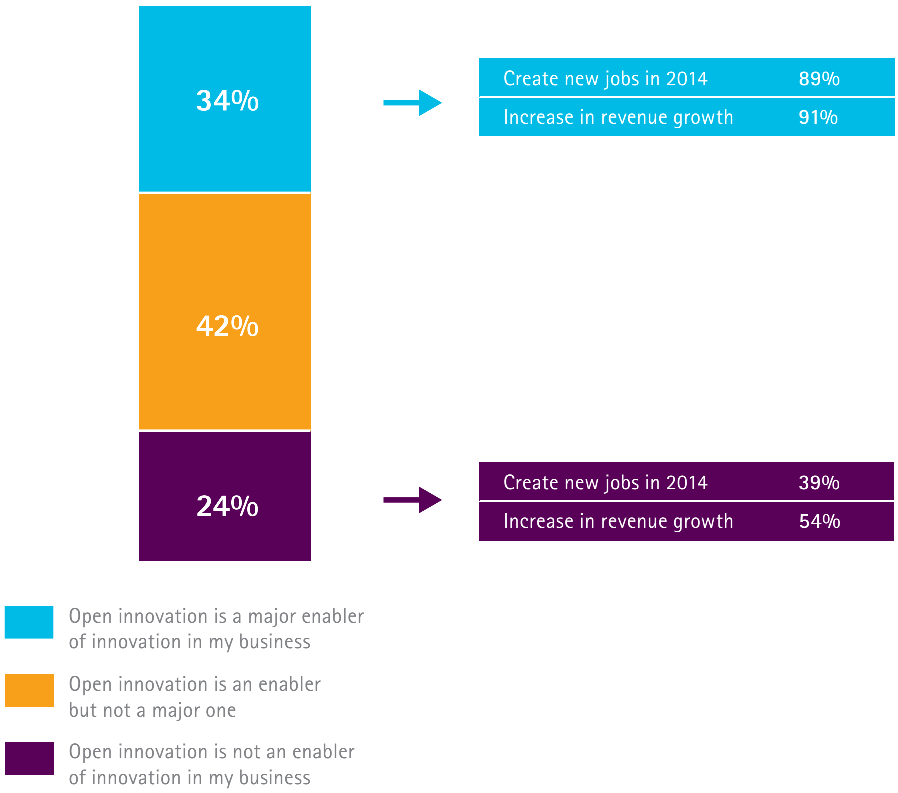
More than 70 percent leverage or plan to leverage mobile technologies (73 percent) or social media technologies (72 percent) to develop their business and more than 60 percent do the same with data analytics (64 percent), cloud technologies (60 percent) or the Internet of Things (62 percent). To a large extent, every entrepreneur is a digital entrepreneur[4].

Increasingly, innovation as practiced by entrepreneurs is largely collaborative and open in nature. Seventy-six percent of entrepreneurs surveyed by Accenture see open innovation as an enabler of innovation in their business (Figure 1). Interestingly, those who consider that open innovation is a major enabler of innovation are also enjoying higher revenue growth than the rest of entrepreneurs.

This sentiment reflects the broader evolution of innovation—from structured and closed to something very entrepreneurial that extends far outside the walls of the organization.

Figure 1:

Entrepreneurs who embrace Open Innovation create more jobs



For decades, innovation was primarily the domain of big institutions: governments, formal labs and large corporations.

However, as technology evolved and speed became more critical, companies began involving more parties in their innovation efforts—a shift that became known as "open innovation," the term coined by Henry Chesbrough in 2003.

"The prevailing logic was ... if you want something done, do it yourself," Chesbrough said in 2011. "This logic of open innovation turns that completely on its head. Competitive advantage now comes from having more people working with you than with anyone else."[5]

Large-scale open innovation is now possible because the technology, especially social media and the cloud, exists to support participation by a large number of geographically dispersed participants.

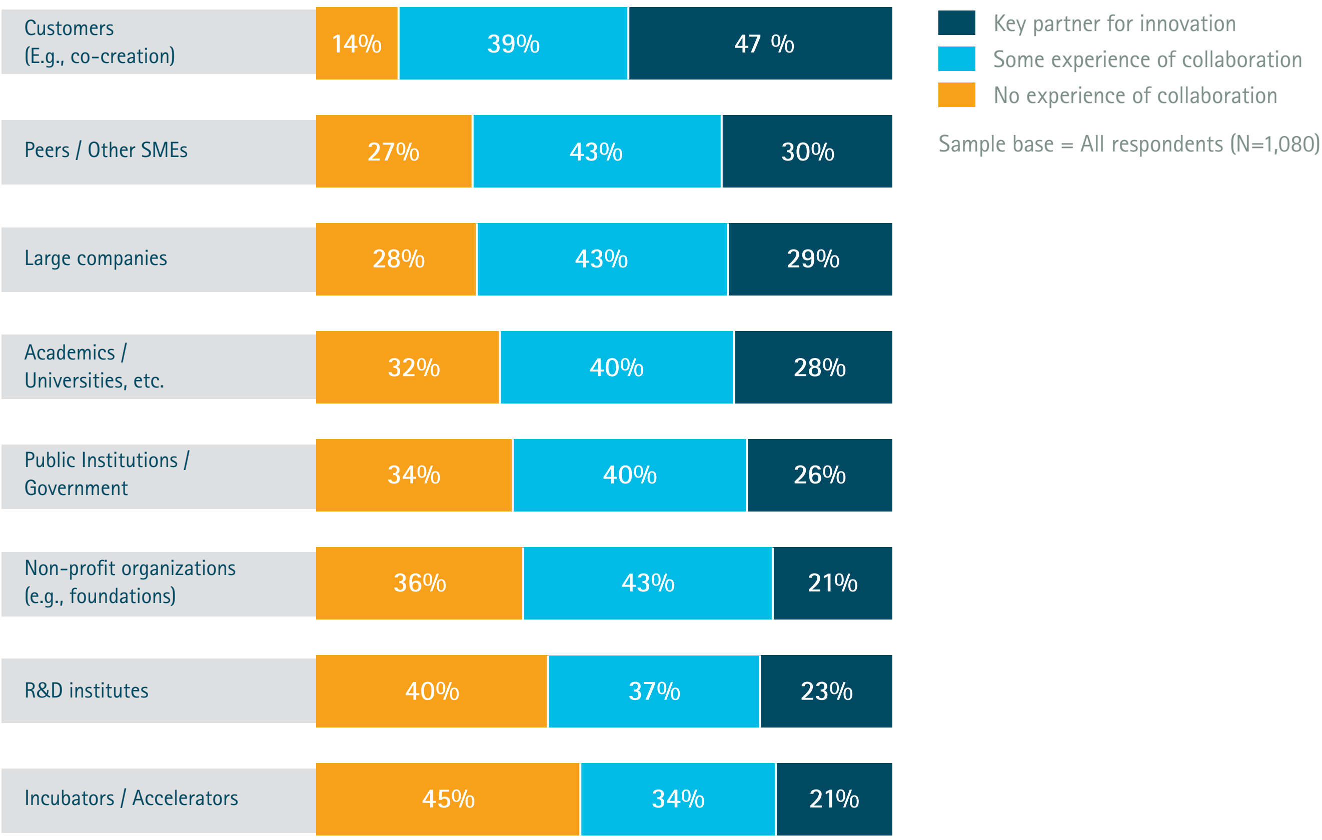
Such technologies also allow entrepreneurs to test multiple forms of collaboration involving a wide range of players.

As shown in Figure 2, the largest percentage of participants in the Accenture survey (86 percent) indicated they collaborate with customers to co-create offerings, while between one-half and two-thirds said they collaborate with a variety of organizations—including public institutions or governments, academics or universities, R&D institutes, incubators or accelerators or non-profit organizations (such as foundations). Just under three-quarters said they collaborate with peers or other small businesses or with large companies.

In a workshop with entrepreneurs in Bangalore, the concept of the "angel customer" emerged as an especially important party with which entrepreneurs can collaborate. "People generally speak of angel investors, but it's very difficult to get the angel customer," said one participant. "You can also call him a risk-taking customer because he is experimenting with you. Customers who can actually, even if you only have a prototype, take it to a level where they help you, they work with you."

Figure 2:

Entrepreneurs collaborate with a large variety of partners to innovate



Bridgemakers—especially large companies—play a critical role in today's open innovation ecosystem

One of the hallmarks of open innovation is the ecosystem that develops to foster and support ongoing efforts to conceptualize, develop and commercialize new ideas. This ecosystem, which is illustrated by the framework on page 16, encompasses three key parties: those that demand innovation, those that supply it and the parties that link the two groups, called the "bridgemakers."

Bridgemakers play a critical role in today's open innovation ecosystem: they connect innovation supply with demand to help entrepreneurs take a promising idea from concept to reality. Two types of bridgemakers—business incubators/accelerators **(see page 17)** and large companies—are especially important in helping entrepreneurs translate their ideas into marketable offerings that customers can purchase.

Large companies, in particular, are extending their partnerships with entrepreneurs to accelerate impact.

Many continue to collaborate with entrepreneurs on innovation. For instance, 29 percent of entrepreneurs surveyed said large companies are key partners for innovation and another 43 percent have some experience of collaborating with large companies.

For large corporations, collaboration on open innovation efforts can provide greater access to new technologies and highly skilled talent and decrease the cost of R&D. In the process, it helps boost competitive advantage and lower the risk of being disrupted. For start-ups, advantages include access to greater production and distribution scale, as well as finance, mentoring, potential "charter clients" and more robust marketing and sales resources, including additional credibility. It also gives start-ups a connection to established brand names with market recognition and massive potential for increased revenue generated due to an influx of new and diverse ideas.

Procter & Gamble is well known for its leadership in open innovation.[7] However, other major companies across industries increasingly are providing entrepreneurs with opportunities to collaborate on innovation. For instance, General Electric hosts an "Ecomagination Challenge" and "Healthymagination Challenge," open innovation platforms that collect ideas for new projects from any potential partner, including individuals and small enterprises. Philips' open innovation program draws on the capacities of individuals, organizations and even small start-ups from around the globe to gain new insights and access to new technologies. Arla Foods collaborates closely with universities, particularly many of the schools their researchers come from, by awarding young scientists at these schools an opportunity to get "pre-competitive knowledge" that can prepare them for their jobs after graduation. And Danone Baby Nutrition focuses on finding partners that can bring relevant solutions to a pressing consumer need increase convenience to the consumer, differentiation and competitive advantage.[8]

Some corporations are going even further in their efforts to partner with entrepreneurs by leading or participating in an accelerator program **(see page 19).**

The framework for capitalizing on open innovation: bridgemakers connect supply with demand

Demand

The demand side of the innovation equation includes the groups that require a constant, fresh supply of innovation. While interest in the "new and improved" has always been high, demand for innovation arguably has never been greater among the two primary groups that benefit from it: consumers, who are looking for new products and services from companies to improve their lives; and governments, which are seeking ways to help move society forward through economic growth and job creation and serve their constituents better through the use of innovative technologies and practices.

Supply

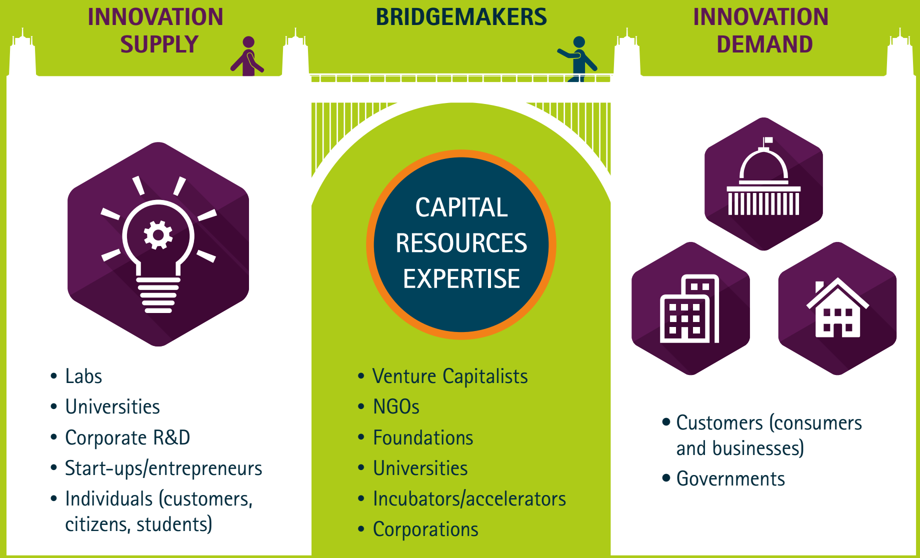
On the supply side are the entities and people responsible for developing innovations that meet the needs of the market. Supply of innovation is no longer limited to "ivory tower institutions"—labs, universities and corporate R&D units, although those remain powerful suppliers of innovation. It now can come from many different sources.

In fact, the supply side of the innovation marketplace has never been more varied or more vibrant. Traditionally defined entrepreneurs and start-ups are major innovation suppliers, as are universities and companies that employ teams of people to pursue promising new ideas. Today, with the growing use of open innovation, individuals themselves, acting as a customer, citizen or student, also can be a significant source of innovation.

Bridgemakers

Bridgemakers are the vehicles that facilitate the transfer of innovation from the creative side to consumption side; in other words, they help bring ideas to market. There are many different types of bridgemakers across the innovation spectrum:

- Traditional venture capitalists (VCs) may provide funding to help get start-ups off the ground.
- Non-government organizations (NGOs) also can be powerful catalysts for innovation, forging relationships between the public and private sectors to advance a particular goal.
- Foundations increasingly are playing a more active role in fostering innovation—moving from simply providing funding in support of innovation and entrepreneurship to making broader commitments to doing hands-on work on innovation-related initiatives.
- Universities increasingly are complementing their role as a supplier of innovation with bridgemaking assistance in the form of various programs.
- Business incubators and accelerators have both become vital resources for start-ups. They offer a wide range of resources, such as office space, professional services and business advice, and hands-on assistance that entrepreneurs need to succeed.
- Corporations have broadened their role from simply a supplier of innovation to bridgemaker. They can play different roles from traditional corporate funding to participant or leader of an accelerator program.



ENTREPRENEURS
- High risk
- High change velocity
- Delayed economic value
- Seek disruption

THE NEW BRIDGEMAKERS
- Corporations
- Global reach and distribution
- Access to local talent and skills
- Economies of scale

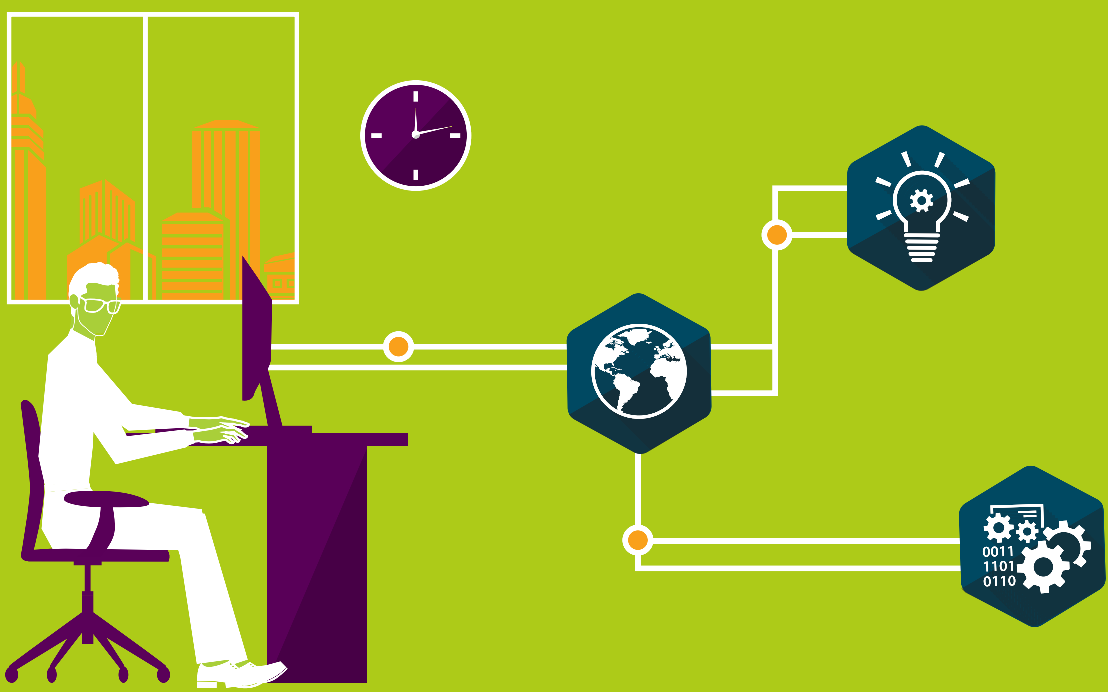
Incubators/accelerators endure as vital resources for entrepreneurs

Business incubators/accelerators have long become vital resources for start-ups. They offer a wide range of resources such as office space, professional services and business advice, and hands-on assistance that entrepreneurs need to succeed. In some cases, they may act as early-stage investors by taking a small financial stake in the companies they are helping.

One example of an accelerator is RocketSpace, based in San Francisco, which provides technology co-working spaces that connect tech start-ups, global brands and entrepreneurs through innovative community and accelerator programs. As Scott Armanini from RocketSpace said, "In order to achieve mass-market acceptance, start-ups need to be well connected to corporations. Corporations have millions or tens of millions of customers that these start-ups need in order to get validation, get that level of traction. Our role is to help them connect with global brands, members of our corporate innovation program who can then help them with that mass-market adoption. And so we're working on consulting partnerships between start-ups and the global brands to make that magic happen."

Another example, Singularity University, is a hybrid accelerator: a school, a fund and future model of innovation. Singularity is an unaccredited university in Silicon Valley that "provides educational programs, innovative partnerships and a start-up accelerator to help individuals, businesses, institutions, investors, NGOs and governments understand cutting-edge technologies, and how to utilize these technologies to positively impact billions of people."[6]

In developed markets, the benefits of such incubators/accelerators is well documented. In emerging markets, where institutional voids often prevent economic growth, they also play a very critical role in shaping the entrepreneurial ecosystem. That's the outlook from Rajesh Sawhney, founder of GSF Accelerators, the Indian start-up accelerator behind Little Eye Labs, which was acquired by Facebook in early 2014. "I think in a globally connected world it's important that equal opportunities are provided to talent across the world to create change, especially the changes that affect a large part of humanity," Sawhney said. "That's the mission we have at GSF. We want to provide talented, innovative technology start-ups not just from India but from an emerging world with the same opportunities that start-ups have in Silicon Valley and elsewhere. I think that will be the biggest homogenizing change in a connected world powered through technology."



These company-led accelerators rarely provide funding but, rather focus on mentoring, providing access to a network, co-designing products and co-selling.

Purchase of the start-up by the larger company is not necessarily part of the initial ambition of these accelerators, although it may be part of the outcome. Another distinctive feature of these accelerators is their international dimension: They provide access to a global network of accelerators that is highly valued by entrepreneurs.

Companies such as SAP and Unilever have established independent venture organizations that provide entrepreneurs with capital, as well as access to resources and expertise of the parent company, to help promising businesses scale and grow. Such venture organizations can play a key role, especially in emerging markets. "What [India] suffers from is the lack of exits," explained Parag Dhol of Inventus Capital Partners, an India venture capital firm. "The venture capitalist ecosystem, angel ecosystem, is crying for exits. While exits can happen through IPO and secondary sales (to other larger VC/private equity funds), strategic sales would be a significant portion of overall exits. The only way these strategic sales can happen is when large companies interact and partner with some of these smaller companies and consequently do M&A activity for start-ups."

Although there is no "best" collaboration model, it appears that entrepreneurs benefit most when large companies play the role of bridgemaker in a truly holistic way. "Larger companies and start-ups are interdependent," noted Apurva Shetty, co-founder and COO of Sensegiz, an innovative entrepreneur in the wearable technology space. "If we have to grow in this digital world, we have to walk hand-in-hand to save time and reach the market in time because it is a global marketplace."

This means going beyond mere funding and addressing several dimensions of the relationship, including a clear commitment to mentorship at a senior management level and alignment with the large corporation's strategic agenda.

Corporation-led accelerators are gaining prominence

Target, the US-based retailer, chose India as the first country to kick off its global accelerator program, where it has selected a few start-ups.[9] Target is backing start-ups that are focused on the five themes relevant to Target's business: search, personalization, data, social and mobile.

Coca-Cola, as well, has unveiled accelerators in Sydney and San Francisco as part of its own nine-city accelerator program.[10] The objective is to co-design and build new products and services and with start-ups and bring them the ability to scale businesses at the global level.

Microsoft Ventures, also launched in 2013, counts several accelerators worldwide and offers workshops on customer development, branding and strategy, as well as the chance to meet venture capital investors, angels and other entrepreneurs.[11]

The exponential growth of the "sharing economy" illustrates the momentum of digital open innovation across the globe

In the past few years the entrepreneurial world has seen the explosion of start-ups with an innovative business in the so-called sharing economy. Although it lacks a common definition,[12] the sharing economy generally includes three key elements: passive consumers turned into active ones ("prosumers"), the disintermediation of the middle man and new technologies unlocking the value of under-utilized assets.

The impact of the sharing economy on the global economy is already being felt (Figure 3).

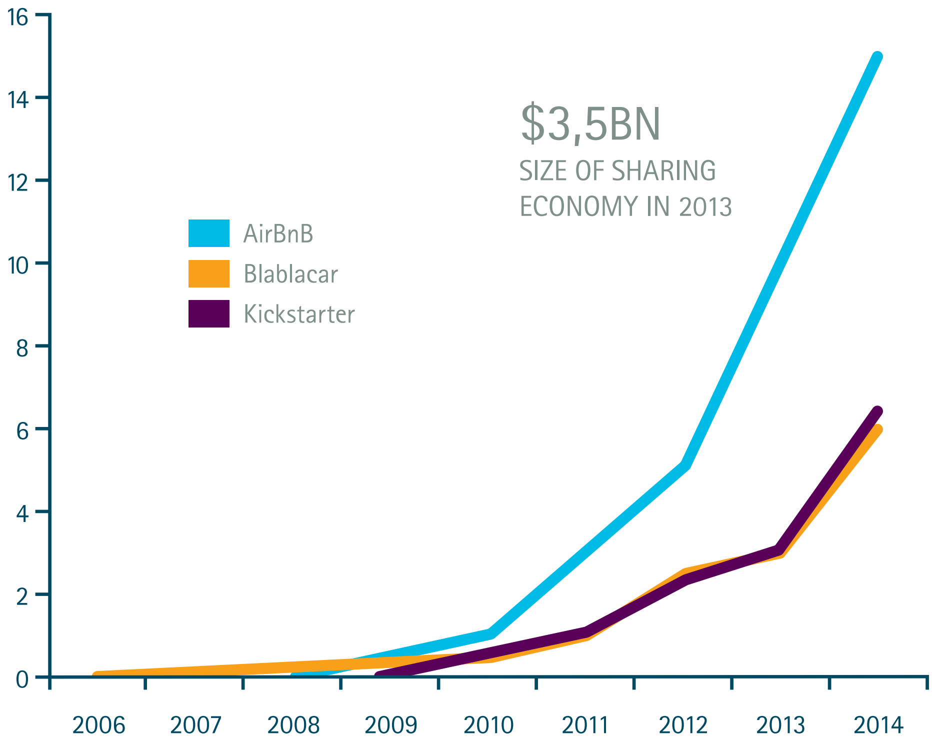
Forbes estimates that $3.5 billion in revenue will have flowed through the sharing economy as a whole in 2013[13] and the exponential growth in the sharing economy can be seen in a variety of areas. In the lodging industry, pioneer AirBnB reached the 10 million customer mark in December 2013, just six years after its launch—much faster than it took for well-known hotel brands to do the same. Blablacar has now topped 6 million users. In the food-service sector, the online marketplace Shareyourmeal, founded in 2012, provides "home cooks" with the opportunity to sell their home-cooked meals to interested neighbors.

Shareyourmeal's pool of users is growing at a rate of 60 to 120 members per day, with more than 35,000 users in the Netherlands and 8,000 in Belgium.[14] Furthermore, money raised through crowd-funding platforms in 2013 was expected to double, reaching $5.1 billion.[15] This represents approximately one-sixth of venture capitalists' investment, which only grew by 7 percent in 2013.[16] Kickstarter, one of the major crowdfunding platforms, has reached $1 billion in total dollars pledged to Kickstarter projects by more than 6 million backers.

Figure 3:

The exponential growth of the sharing economy: an illustration through AirBnB, Blablacar and Kickstarter

Unit: million of users



Source: Accenture Research analysis based on public information

The phenomenon is spreading across the world, from the US to Europe and Asia. In India, more than a dozen crowdfunding platforms have sprung up in the past year to 18 months, riding the rising wave of entrepreneurship and the internet to become magnets for people looking for money—and those willing to donate for a cause. Initiatives in the arts and social causes, as well as technology start-ups seeking funding and even projects at university labs, are all flocking to these platforms.

New business models also attract large companies, which can develop collaborative arrangements with entrepreneurs in the emerging sharing economy. For example, General Electric is teaming up with Quirky, a well-funded start-up for crowdsourced inventions, to create a platform that enables consumers to control all of their internet-connected devices. Dubbed Wink, the app is being positioned as a "command center" that "makes sure all of [consumers'] connected things work with all of their other connected things," explained Quirky CEO and Founder Ben Kaufman. "With GE's scale and Quirky's speed, we have the ability to connect a lot of things super quickly."[17]

Another example is the relationship between eBay and Patagonia, known as the Common Threads Partnership, which operates a marketplace for the outdoor clothing maker's used jackets, fleeces and other gear. Rather than buying new Patagonia goods, eBay users can buy and sell old Patagonia products to each other. The Common Threads Partnership launched in 2012 in the US, where it now has 60,000 members selling more than 53,000 items. The two companies launched a similar program in London in 2014, establishing its presence in Europe.[18]

There are, however, still many unanswered questions when it comes to how the sharing economy will affect established markets and companies and what existing enterprises should do in response. Some, like Jeremy Rifkin, think the sharing economy illustrates a paradigm shift in which new internet platforms open opportunities for a new generation to think of themselves as "social entrepreneurs." For these people, he said, "being both entrepreneurial and social is no longer an oxymoron but rather, a tautology."[19] Others highlight that business models are still being tested and refined to ensure long-term viability: more and more entrepreneurs are moving away from the all-free business model to a "freemium" or, more frequently, a service fee platform business model.

In the service fee platform business model, the company gets compensated for successfully matching two parties: buyers and sellers, hosts and guests, borrowers and lenders. The fee taken varies across marketplaces—from 5 percent to 40 percent, depending on the value of the transaction and the services offered.

Despite the uncertainty around regulations and around which business models will eventually succeed, the trend seems large and strong enough to ensure some sustained successes. Companies that might think the sharing economy is a passing fad risk suffering the same fate as the retailers that refused to believe people wanted to purchase things online a decade ago.

As entrepreneurs participating in the Accenture survey indicated, innovation—and especially open innovation—is vital to their success. Countries that are able to create an environment that nurtures and supports entrepreneurial innovation—especially in the area of the sharing economy—will be better positioned to create jobs, restore growth and enhance the overall quality of life for their citizens.

Chapter 2:

The rise of entrepreneurs that are "born global"

Innovation clearly is critical to entrepreneurs' ability to grow and create jobs. Many of these entrepreneurs see opportunities to bring innovation to customers outside of their home markets and these individuals expect their firms to grow even faster and create more jobs than those whose sights are set primarily on their local market.

Yet firms, especially small ones, face considerable barriers to expanding abroad—barriers that bridgemakers can help entrepreneurs overcome.

International expansion is on the minds of most entrepreneurs

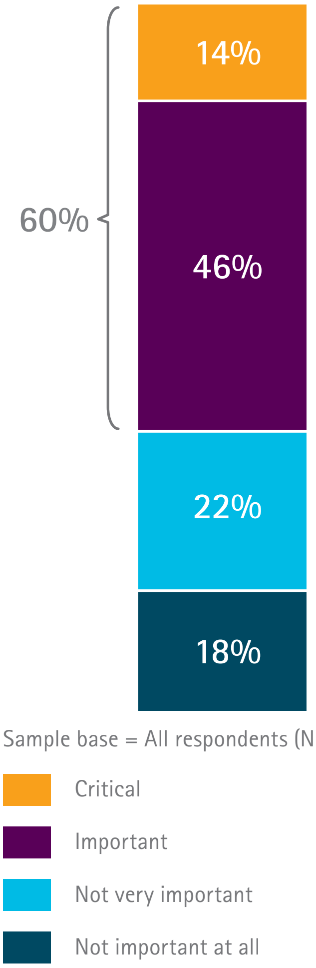
Overall, six in 10 entrepreneurs surveyed indicated international expansion is a key priority for their business (Figure 4). One might expect larger firms to be likely to hold that view and that is indeed what Accenture found in its survey: more than 75 percent of larger firms (those with 100 to 250 employees) considered international expansion important to growing their business and creating jobs. What was remarkable was that a similar percentage (76 percent) of smaller firms (with 10 to 99 employees) had the same aspirations.

While smaller firms certainly face more challenges in expanding outside their home markets than their larger counterparts do, it is worth noting that smaller firms are thinking seriously about targeting overseas markets. One of the reasons so many entrepreneurial firms of all sizes are looking outside their home markets is better revenue growth opportunities: firms that considered international expansion a priority expect faster revenue growth than their locally focused peers. Accenture's survey showed that of the entrepreneurs who expected hyper revenue growth in 2014 (that is, greater than 15 percent), a vast majority (73 percent) also considered international expansion as either critical or important to growing their business. On the contrary, the majority of firms (66 percent) that expected revenues in 2014 to decrease or remain stable considered international expansion as not very important or not important at all.

Figure 4:

Sixty percent of entrepreneurs believe international expansion is important

Importance of international expansion to grow business and create jobs

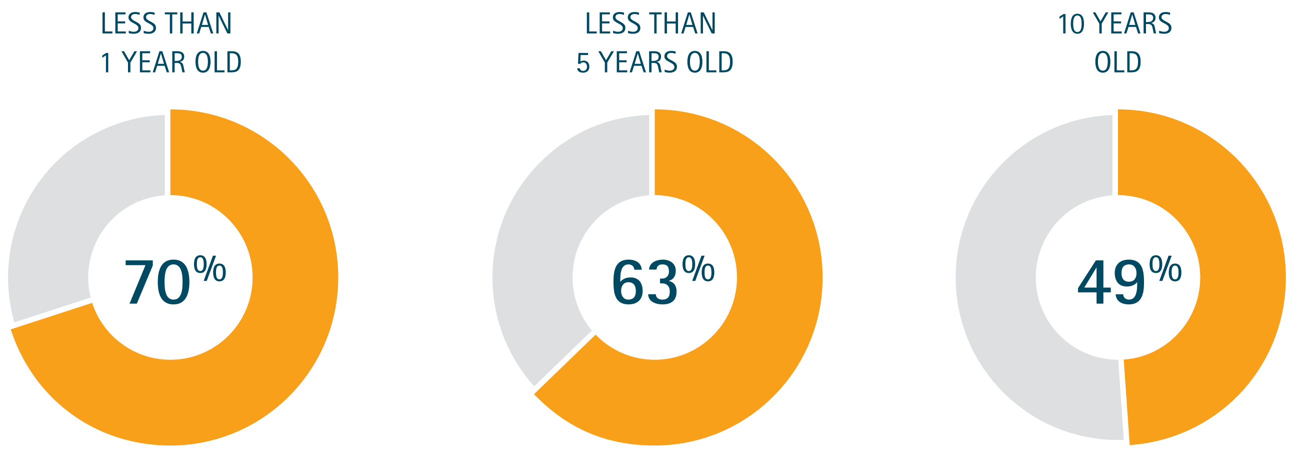


Sample base = All respondents (N=1,080)

Figure 5:

New entrepreneurs are born global

The percentage of entrepreneurs saying that international expansion is important or critical to grow business and create jobs—by age of firm



Interestingly, the tenure of the firm—how long it had been in business before deciding to expand outside its home markets—is not directly correlated to a desire for global expansion. In fact, surprisingly, a very high proportion (70 percent) of younger firms—those launched in the past 12 months—are already thinking of international expansion. These are the "born global" entrepreneurs. Conversely, a smaller percentage (only 49 percent) of firms that are more than 10 years old considered international expansion as important to growing their business **(Figure 5)**.

These results indicate that the new generation of entrepreneurs thinks much more globally than their predecessors. This is especially true for entrepreneurs in the sharing economy, where achieving critical mass and being the first entrant is a primary criteria of success and viability (as is the case in similar "winner take all" markets, where the value of the network is a predominant value creation factor). Internationalization increases the size of their addressable market, reduces revenue source risks and increases the value of their firms.[20]

Accenture's survey also revealed that going global can have a huge impact on a firm's job-creation potential. Firms with international activity were more likely to expect to create jobs than firms that were primarily locally focused. Importantly, international expansion does not mean jobs will be created only in overseas markets. On the contrary, more of these new jobs would be created at home: more than 80 percent of these firms expected to increase the workforce in their home country at a faster pace than the workforce outside the home country.

"New technologies have opened up the markets and completely speed up internationalization."

Jenny Tooth, Chief Executive of UK Business Angels Association

Digital technologies open up markets and dramatically reduce the costs of international expansion

More and more, entrepreneurs are taking advantage of digital technologies to help them achieve their global expansion goals. Indeed, digital provides a global springboard for entrepreneurs with innovative products and solutions to launch themselves in the world's leading markets. It not only offers access to cross-border financing, but also a deep immersion into global ecosystems.

Almost three-quarters of entrepreneurs in the Accenture survey felt that digital technologies were important to the success of their international expansion **(Figure 6).** Firms now can access digital technologies and are leveraging them in international expansion—for example, to create virtual offices, digitalize key business processes and engage in e-commerce at scale and at speed.

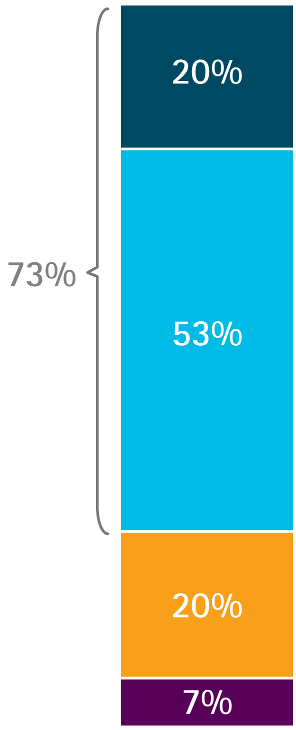
As an entrepreneur from the UK put it, "Mobile technologies, cloud technology, email, instant messaging, videoconferencing, etc., have ensured that we can disseminate information on any facet of our business to all four corners of the globe instantaneously. Business decisions can be made there and then, resulting in cost savings and the ability to capitalize on opportunities. The importance of technology can never be underestimated."

However, while digital technologies are in many ways the key enabler of entrepreneurs' global expansion and provide entirely new opportunities, the current paradox is that the mobility of data across national boundaries is often more difficult than the mobility of goods or services. Considerable obstacles can impede progress and partially inhibit crucial innovation and revenue growth **(see page 25).**

Figure 6:

Digital technologies are critical to the success of international expansion

Importance of digital technologies in the success of your international expansion



Sample base = All respondents (N=1,080)

- Critical
- Important
- Not very important
- Not important at all

The mobility of data: what is at stake?

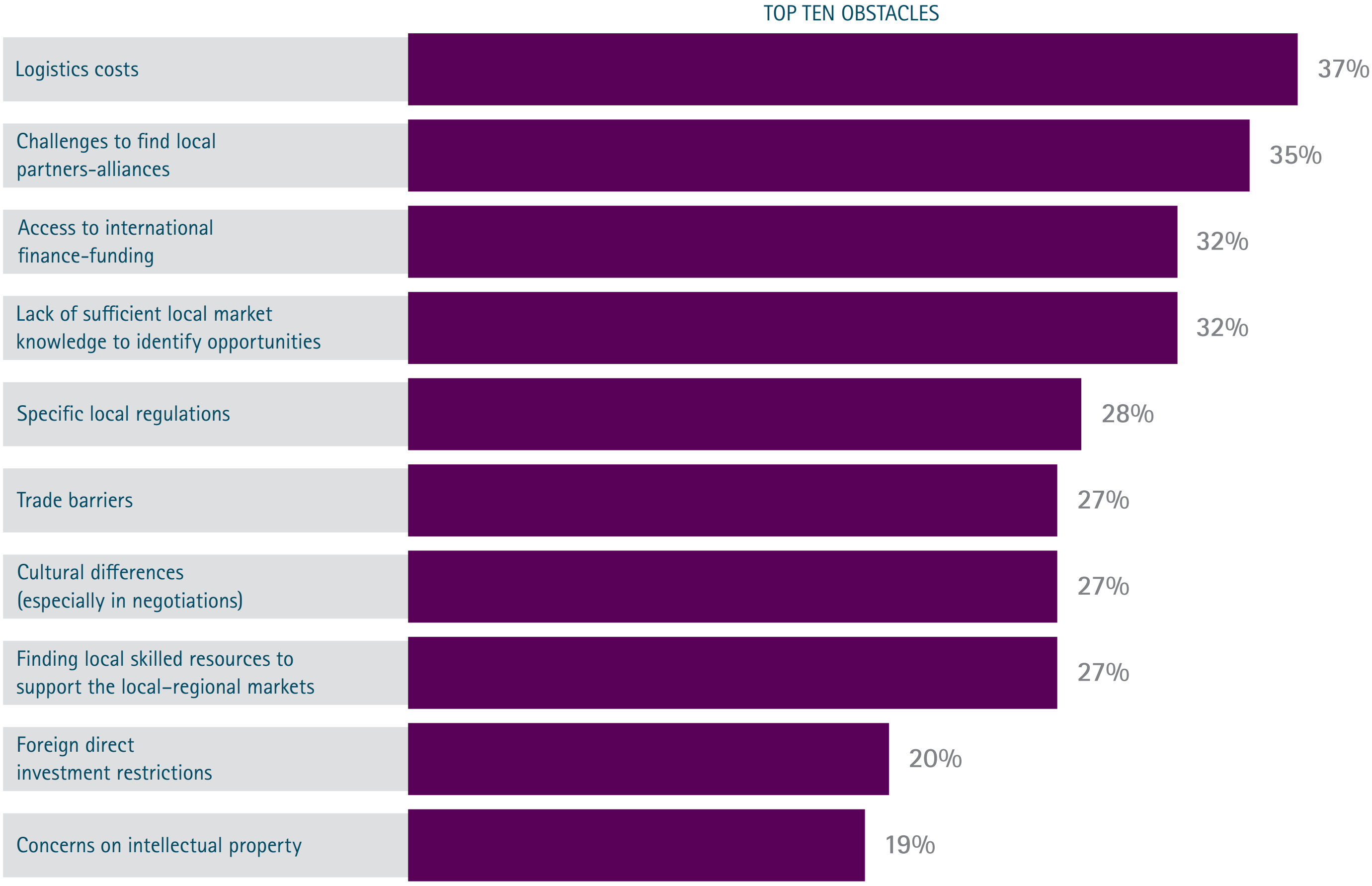
The digital universe is doubling every two years and is expected to grow to 40 trillion gigabytes—more than 5,200 gigabytes for every man, woman and child—in 2020.

To truly unlock the value of data, companies need to start treating data as a supply chain, enabling it to flow easily and usefully through the entire organization and throughout each company's ecosystem of partners, at the country and at the international level.[21] Data are the core of many "born global" entrepreneurs' business models and, therefore, regulations of international data flows will have a critical impact on their development and ability to create jobs.

Data regulations are generally not anchored on a common global standard and are often outdated. In today's globalized and data-driven world, traditional regulatory approaches are being challenged as the evolution of technology outpaces the regulatory response.

Consider the adoption of cloud computing in the EU. The current regulatory framework—particularly regarding data protection—poses several barriers for both cloud users and providers. A lack of harmonized requirements across the EU means that cloud users—and by extension, their cloud services providers—are subject to many country-specific data protection and data security obligations, with many countries placing restrictions on data location. The associated compliance and liability concerns mean that the cloud market in the EU is not reaching its full potential or scale, thus limiting the benefits of cloud, including lower IT costs and flexibility in IT usage, greater speed and the ability to fully leverage new and innovative technologies and services.

Figure 7:
Main obstacles faced by entrepreneurs in their international expansion



Sample base = All planning to expand internationally

Yet significant challenges to global expansion remain

As attractive and promising as international expansion is, entrepreneurs still face major challenges in supporting it. According to the Accenture survey, several challenges are particularly prevalent **(Figure 7)**: logistics costs, finding local partners, access to finance and lack of local market knowledge to identify opportunities. Contrary to some expectations, the global Internet village is not becoming flatter for many companies, hence the need to understand and adapt offerings to the diversity of contexts.[22]

Ability to handle logistics at scale

This was ranked as the number-one concern by entrepreneurs across geographies, in mature and emerging markets, but especially by smaller firms. Of the firms ranking this as their top concern, most were either small or micro firms.

These concerns are understandable. Overseas customers often demand strong proof of concept at home and smaller entrepreneurs often have to furnish high-profile endorsements from established local customers, whether from the private or public sector.

Entrepreneurs can therefore struggle to build trust with overseas prospects. In Accenture's interview with TechStars, the company's CEO Jon Bradford echoed this point: "Start-ups often underestimate how hard it is to globalize and the importance of their local market," he explained. "Start-ups have an inherent advantage in their local markets and are ordinarily less competitive at the international level."

Finding the right partners and talent abroad and developing local markets insights

Among entrepreneurs planning to expand internationally, challenges in finding local partners and talent abroad was the second most frequently identified key challenge, often combined with the lack of sufficient local market knowledge to identify opportunities. This was especially true of smaller firms: Forty-nine percent of the firms that struggled in this area were micro firms (fewer than 10 employees) and 40 percent were small (10 to 99 employees). This was again true across geographies, suggesting the potential need for better cross-country partnerships enabled by appropriate policies.

Entrepreneurs need help to develop specific foreign-market knowledge, learn how to position their own internal capabilities and assess whether or not investments made in one region can easily be deployed in other regions.

"The main obstacle we face is the lack of knowledge of foreign markets due to the fact that they evolve continuously and spontaneously and only companies on the ground can know the true internal dynamics," noted one entrepreneur in France."[23]

The value of local partners' knowledge is reinforced by the experience of another entrepreneur, this one in the apparel business, who collaborated with local experts with knowledge of specific global markets. "Without the assistance of these experts, we would have faced insurmountable difficulties in gaining a foothold in these markets," the entrepreneur explained. "As the scope of our company changes, there may be a greater need for such workers employed, especially in foreign markets in the future."[24]

Access to international finance and funding

A third key international expansion challenge is gaining access to funding, although this was deemed a bigger issue by entrepreneurs in Latin America, Asia and Africa than in North America or Europe. And funding challenges are not limited to younger firms. In fact, of the firms ranking access to funding as their number-one concern, less than half (45 percent) had launched in the past three years. The majority of firms (55 percent) facing this problem have been in business for more than three years.

To be sure, there are very few incentives for investors to co-invest across borders. Emphasizing the challenge was the observation from one entrepreneur, who lamented the lack of international partners who "do not want to risk investing in a foreign market because they do not know if they are going to have a real return on investment."[25]

Multinational companies are key bridgemakers to accelerate entrepreneurs' international expansion

As described in chapter 1, bridgemakers provide the critical link between innovation supply and demand. But they also can play a valuable role in helping entrepreneurs establish international business relationships. Whether they are large corporations, cross-country business accelerators, trade bodies or international networks of VCs, these bridgemakers can help entrepreneurs launch new products in target markets and increase credibility by connecting entrepreneurs with peers, mentors and potential long-term advisors from around the world. They can also involve entrepreneurs in high-profile activities related to foreign investment and even help entrepreneurs gain vital endorsements from established companies.

One example of such bridgemaking is the increasing development of partnerships between multinationals and smaller start-ups to leverage digital technologies in overseas expansion. As large companies grow, they sometimes lose the ability to stay on top of cutting-edge innovation. By teaming with start-ups, they can take advantage of these firms' nimbleness and innovation to make forays into newer regions, using newer digital channels.

Unilever recently declared it would back seven innovative digital companies as part of its "Go Global" program. Unilever will give each company funding, mentorship and a range of services in exchange for a customized digital marketing pilot for its brands, covering the areas of content, mobile or connected devices. The campaigns will go live across Africa, Asia, Europe and North America.[26]

Unilever's approach reflects a broader focus among larger firms on finding more innovative technology solutions from start-up ecosystems across the world. For example, the chief information officers (CIOs) of top global companies such as Colgate-Palmolive Co., Procter & Gamble Co. (P&G) and Citigroup Inc. convened in India recently to explore the possibility of doing business with the country's fledgling software product ecosystem—the first such concerted initiative. For these large companies that are looking to expand in markets like India and China, it makes sense to consider some of the innovative solutions that are emerging from the ecosystems in such countries.

In addition, multinational companies, including Microsoft and Google, are setting up a global constellation of accelerators in such cities as Paris, Beijing, Bangalore and Tel Aviv to help entrepreneurs bring their innovations to a global audience.

Another notable effort designed to support entrepreneurs' global expansion is Piano Destinazione Italia, which is considering incentives to spur large Italian corporations to escort Italian spin-off companies through the globalization process by taking them "on board" in international trade missions.[27]

Growing and creating jobs can be difficult for any entrepreneur. It's especially challenging for those who seek to expand beyond their home market. Indeed, global expansion carries with it numerous barriers that are often hard for entrepreneurs to overcome. But if they can work through the challenges—with the support of digital technologies and bridgemakers—the payoff will be worth the effort: faster growth and more robust job creation, both in entrepreneurs' home country and in the foreign markets they serve.

Chapter 3:

Entrepreneurs can create 10 million new youth jobs in G20 countries

Entrepreneurs are playing a critical role in the creation of jobs for youth in the G20 countries. They can potentially create 10 million more jobs if several significant barriers to job creation were removed.

The youth unemployment challenge

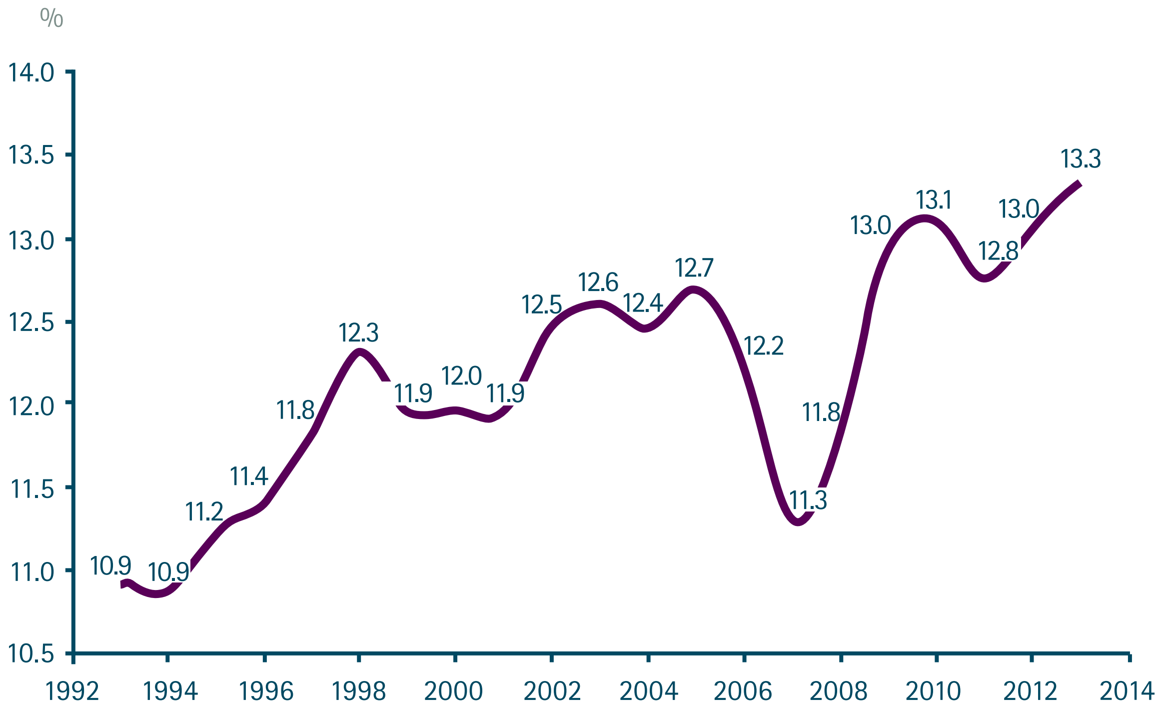
While the global economy is growing stronger, unemployment levels are still high in many countries and obstacles to employment growth remain, especially for young people. For the G20 as a whole, the International Labor Organization estimates that during 2013 employment figures were 62 million lower than they would have been had pre-global financial crisis trends in output and employment continued. The drop in employment during and after the crisis disproportionately affected young and disadvantaged people.

According to the ILO, more than 44 million young people in the labor force in G20 countries are unemployed. In 20 years, the youth unemployment rate rose by nearly 3 points to a 2013 peak of 13.3 percent (Figure 8).[28]

Figure 8:

Youth unemployment has dramatically increased since 1992

Youth unemployment rate trend 1993–2013

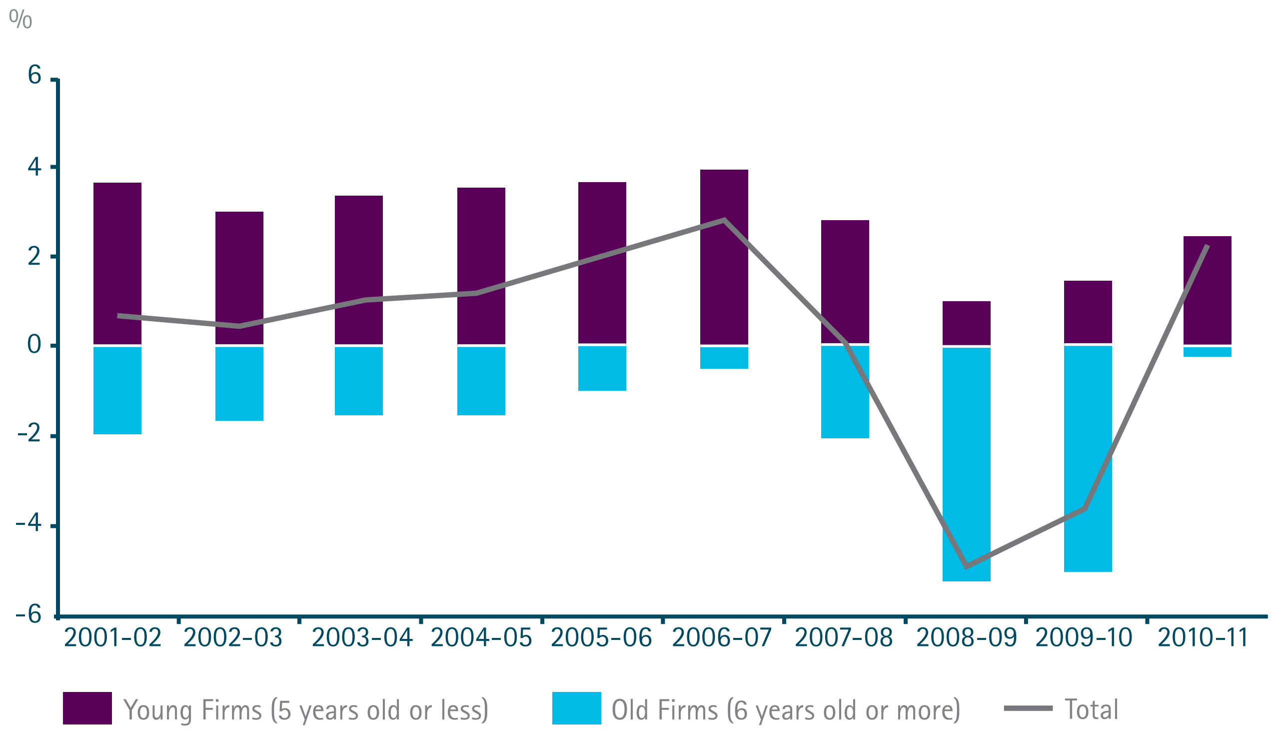


Source: ILO Global Employment Trends 2014

Figure 9:

In the past decade young firms have increased jobs every year

Net job growth, younger versus older firms, 2001–11 (Average across 15 countries—% net job growth)



Source: OECD (2013), OECD Science, Technology and Industry Scoreboard 2013: Innovation for Growth, OECD Publishing.

Entrepreneurs are the G20 countries' job creators

Entrepreneurs play a central role in combating youth unemployment in the G20 countries

While there are no easy answers to the youth unemployment challenge, there is plenty of evidence to suggest that entrepreneurs can play a vital role in re-energizing youth employment. Entrepreneurs themselves believe they can have an impact on unemployment: entrepreneurs create jobs for themselves **(see page 31** on under-served young entrepreneurs), and a large majority of entrepreneurs (85 percent) surveyed were very confident of the role they can play in creating jobs in their country.

Several studies have confirmed the fact that young firms, predominantly created and developed by entrepreneurs, have a critical role in job creation.

John C. Haltiwanger, Ron S. Jarmin and Javier Miranda concluded in a paper published by the National Bureau of Economic Research (NBER)[29] that start-ups in the United States continue to ramp up, growing faster than more mature companies and creating a disproportionate share of jobs relative to their size. The Kauffman Foundation, which regularly publishes detailed data on the US economy and recently the State of Kansas, both point towards the same direction.[30]

The OECD looked at a wide set of countries and found similar results. Its research[31] across 15 countries, published in 2013, shows that new firms (those five years old or younger) generated nearly half of all new jobs in the past decade **(Figure 9)**, although they accounted for only about 20 percent of non-financial business sector employment. This was true in nearly every period and country considered[32], especially during the crisis, when most of the jobs destroyed were the result of older businesses downsizing while net job growth in young firms remained positive.

Youth Business International: enabling job seekers to create their own job throughout the world.[33]

Youth Business International is a global network of independent non-profit initiatives helping young people start and grow their own business and create employment.

YBI members assist under-served young entrepreneurs with a combination of training, access to capital, mentoring and other business development services. In 2013, YBI's members helped 14,406 young people start their own business and gave entrepreneurship training to nearly 200,000 young people.

The interventions depend on the local context. For example, Aosite Education was founded by a young entrepreneur supported by YBI's member, Youth Business China. This after-school tutoring company operates across the Chinese city of Chengdu. The founder, Huaping, worked in a teaching institution and was determined to pursue his vision of opening his own center. However, he could not find support from the banks. Where commercial lenders had seen unacceptable risk, Youth Business China (YBC) saw potential and stepped in to support the young entrepreneur. YBC provided a low-interest loan and matched Huaping with an expert mentor with highly relevant experience in the education sector. Huaping now runs more than 11 training centers and employs more than 100 part-time and 50 full-time staff.

Going forward, YBI aims to support 40,000 young entrepreneurs in starting and growing a business per year by 2017 in at least 60 countries.

Increasingly, organizations are collaborating to advance entrepreneurship. In its role as bridgemaker, Accenture convenes strategic partnerships for its Skills to Succeed initiative, which will equip 700,000 people around the world by 2015 with the skills to get a job or build a business. One of those partners is YBI.

Entrepreneurs are confident in their ability to generate revenues and create jobs in the future, within their companies and beyond.

Eighty percent of entrepreneurs surveyed expected positive revenue growth in 2014 and 33 percent expected double-digit revenue growth—well above general economic trends. Seventy-four percent of entrepreneurs surveyed say they will recruit young talent in 2014 **(Figure 10).**

The more innovative, the more likely entrepreneurs are to create jobs: ninety-one percent of those who said innovation is critical or important to them also plan to create jobs in 2014—compared with 61 percent of those who don't find innovation critical or important to their business. Overall, most entrepreneurs are optimistic about their ability to create jobs for youth in their company.

The creation of jobs by entrepreneurs does not stop at the doorstep of their companies. In fact, to a large extent, counting the number of jobs created by the number of workers on the payroll is under-estimating the number of jobs created by young firms. An increasing number of these companies also employ freelancers, contractors or leverage crowdsourcing to complement their needs. Just under 70 percent said they plan to leverage external collaboration mechanisms such as crowdsourcing, freelancers and contractors as a complement to formal recruitment **(Figure 11).** Such mechanisms are becoming more prominent as online global networks are developed and offer access to diversified talent through flexible working arrangements.

Using such collaboration platforms offers entrepreneurs access to a significantly larger pool of resources they can deploy to help them find new customers and opportunities and keep their operations very efficient. As described by a participant to one workshop: "We're the brand in front of the customer but we now have this kind of unlimited resource pool that's available on demand, that we can tap into, similar to the cloud environment for highly skilled engineers."

Figure 10:

Three-quarters of entrepreneurs expect to create jobs

Do you expect to create new jobs in 2014?

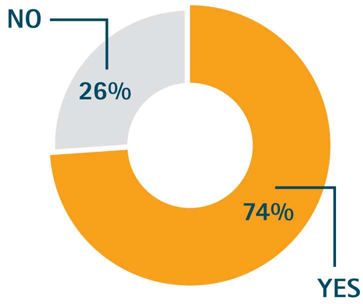
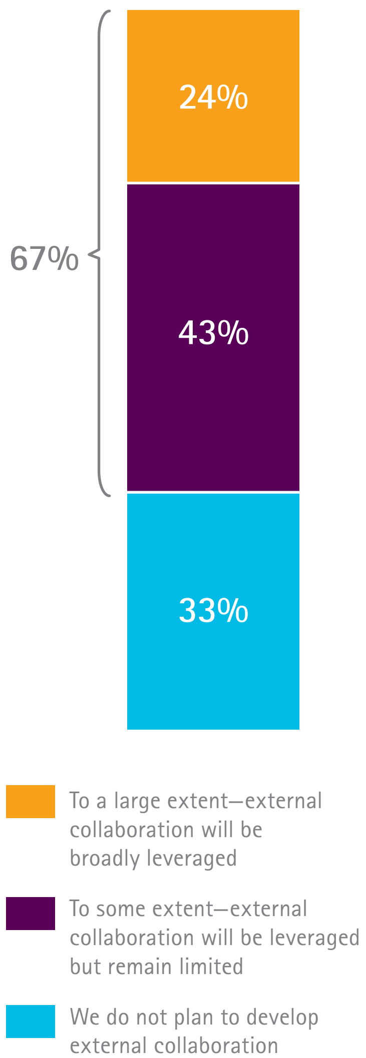


Figure 11:

Sixty seven percent of entrepreneurs complement their work force

Plans to develop external collaboration (e.g., crowdsourcing, freelancers, contractors) as a complement to recruitment in 2014



Are entrepreneurs becoming "social entrepreneurs"?

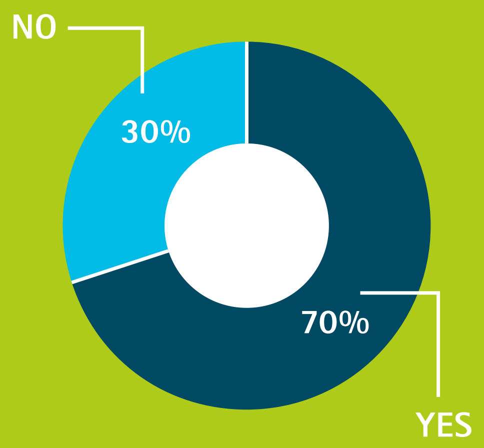
The relationship between entrepreneurs and the ecosystem in which they operate is a complex, multifaceted relationship, as companies can only thrive in the long run if their ecosystem is flourishing, and the development of the ecosystem depends to a large extent of the way companies contribute to an inclusive, environmentally and socially responsible growth.

Interestingly, 70 percent of surveyed entrepreneurs **(Figure 12a)** consider themselves as "social entrepreneurs" either because they have a direct impact on their local community or because in their company profits are reinvested in the business itself **(Figure 12b).** In other words, many entrepreneurs who manage "for profit" businesses believe their mission goes beyond generating profits for shareholders.

This applies to a large extent regardless of the location of entrepreneurs. Except in the US, UK, Australia and Germany, a large majority of entrepreneurs, whether based in mature markets or emerging markets, consider themselves social entrepreneurs. Such a finding is contrary to the conventional wisdom that entrepreneurs collaborating for the good of their country or society are much more prevalent in emerging markets than in mature ones. Given the size of the challenges, especially related to youth unemployment, most entrepreneurs are willing to contribute to the development of their local community beyond their traditional commitment to grow their business and create jobs.

Figure 12a:

Would you define yourself as a social entrepreneur?



Sample base = All respondents (N=1,080)

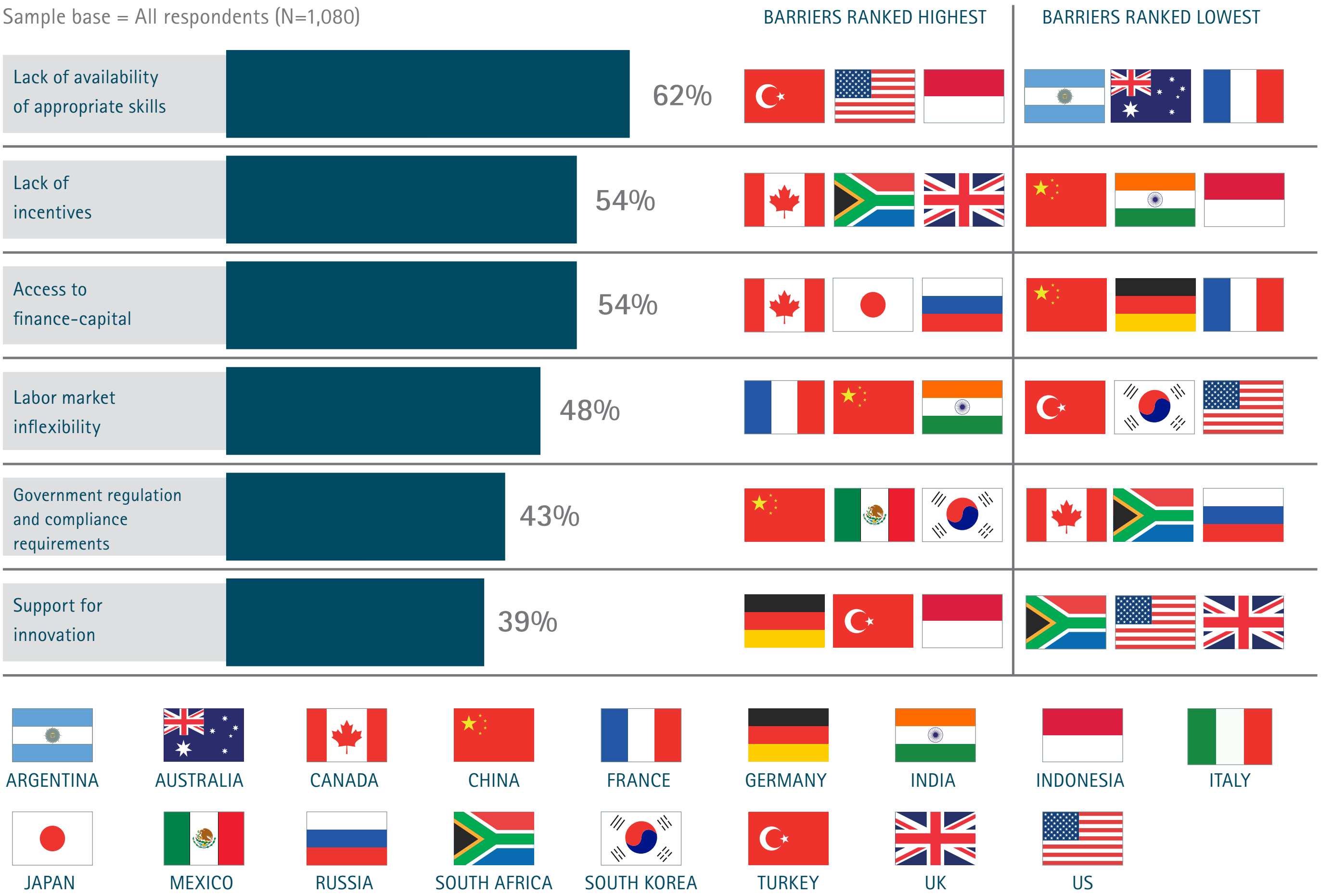
Figure 12b:

What best describes your definition of a social entrepreneur?

Sample base = All respondents (N=1,080)

Figure 13:

Main barriers that prevent your company from recruiting more young people



Can entrepreneurs create more jobs? Skills shortage and lack of labor market flexibility are particularly important barriers to creating more youth jobs.

Several barriers prevent entrepreneurs from doing more to spur youth employment across the G20 countries. Barriers differ across countries due to the unique characteristics of local labor markets **(Figure 13).**

Skills shortage hits entrepreneurs particularly hard.

Whether the firm is large or small, availability of appropriate skills is the single most important barrier to recruiting more young people.

In geographic terms, entrepreneurs in the US, Indonesia, Turkey and India expressed particularly high concerns. Overall, six in 10 (62 percent) entrepreneurs said difficulty accessing the right talent was one of their top recruiting concerns, regardless of their industry (manufacturing or services) or size. Small and large firms face similar skills shortages, because they are competing more and more for the same underdeveloped talent pool, especially STEM (Scientific, Technology, Engineering, Mathematics) skills, which are very much in demand around the world.

Entrepreneurs' specific needs also make it difficult to fill key roles. Participants in a workshop in Paris described their hunt for talent as "looking for five-legged sheep"—employees who can do everything with successfully. Small-company employees must be very flexible, be willing to take on a multitude of responsibilities and be able to develop and implement processes from scratch—in short, be very entrepreneurial employees. As an entrepreneur in the UK puts it: "The ability for young talent to perform in all dimensions is rare and can be inconsistent with frequent highly specialized graduate curriculum."

The lack of labor market flexibility is also a significant barrier to hiring more young employees, especially for entrepreneurs in countries such as France, India, China or Italy. Entrepreneurs sometimes feel that the investment in training young people and building their business skills is too high given the lack of senior employees' time to train and coach new recruits in small firms. One entrepreneur succinctly described the challenge: "People who have just arrived on the job market after graduating are usually skilled enough. What they lack is experience, which is part and parcel of the business acumen. They have to build their communication and business skills alongside their different work experience or temp positions."

To help them compensate for some of the specific investment required to give young people the required skills to be productive, a large number of entrepreneurs would appreciate incentives and a direct role in youth education

Entrepreneurs could create 10 million new youth jobs

A large majority of surveyed entrepreneurs are confident that they could create more jobs in the future than they are already doing. This would require a new paradigm described by the "3+1" formula: an active and sustained collaboration among entrepreneurs, large companies and bridgemakers, enabled by government through relevant public policies.

Collaboration among these parties can take different forms, depending on the characteristics and most pressing issues of the local ecosystems (such as open innovation, globalization, education or more general technology development priorities).

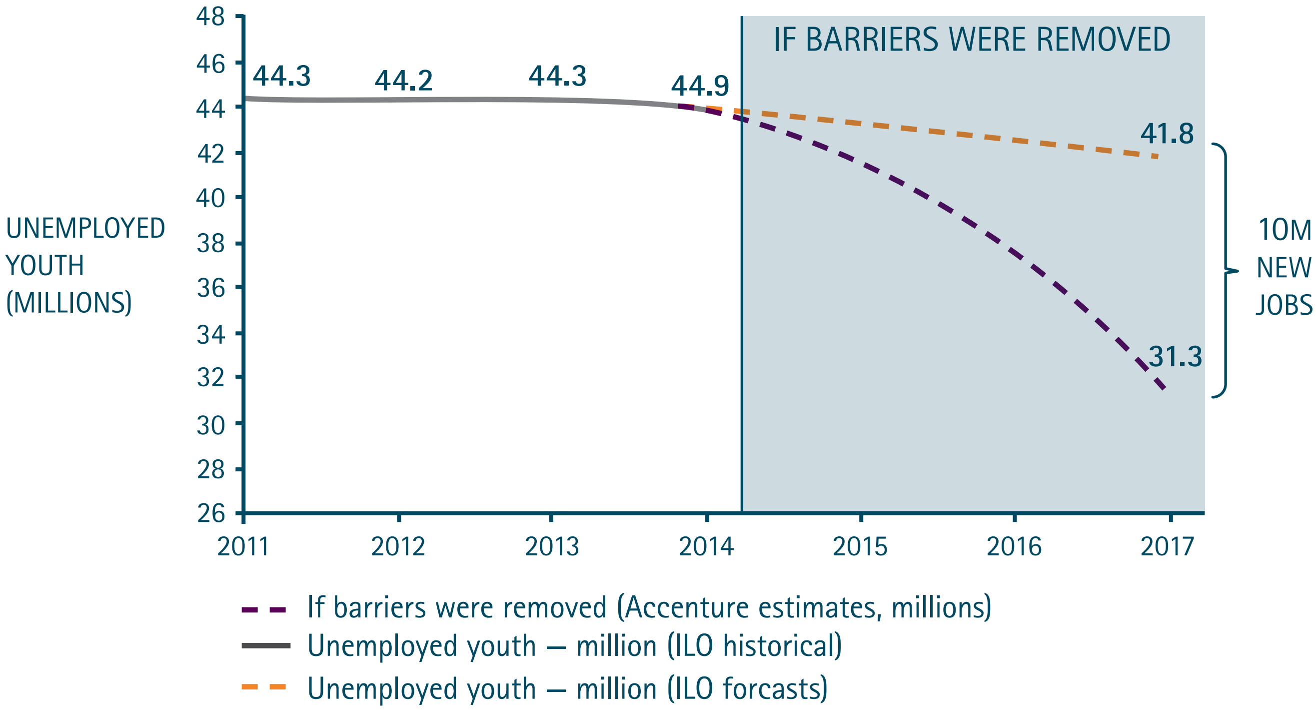
A large majority of entrepreneurs want more support from governments, large businesses and bridgemakers to help them sustain their contribution to economic growth and job creation.

In fact, entrepreneurs view collaboration across the public and private sectors as a potential game changer that may trigger a new wave of competitiveness and sustainable growth. Digital technologies make this game change possible, especially given the substantial possibilities offered by technology-enabled, open innovation. But for this to happen, adequate policy frameworks must be implemented and the necessary technology investment must be deployed at speed and scale (which we discuss in more detail in chapter 4).

In this context—assuming entrepreneurs' expectations are met—entrepreneurs' job creation potential would be unleashed, resulting in 10 million new youth jobs potentially created across the G20 countries, according to an Accenture estimate **(Figure 14)**[34]. This would help drive the reduction of youth unemployment from 13 percent to 10 percent[35]. (See page 36 for details on Accenture's job creation model.)

Figure 14:

The promise of digital entrepreneurs: creating 10 million youth jobs in the G20 countries



Source: Accenture Research scenario based on historical ILO Global Employment trends[2]

Job creation model

The job creation model combines population and labor force statistics published by the World Bank, ILO and OECD and insights derived from Accenture's primary research and modeling. The model is based on the following input for each G20 country and for the G20 countries as a whole:

- Current number of youth and evolution trend. This comprised all persons between the age of 15 and 24, based on World Bank data
- Participation rate: percentage of the young population that is part of the labor force, based on ILO data
- Youth jobs and youth unemployment data in the youth active population, based on ILO data
- Portion of youth labor force that is employed by entrepreneurs/SMEs based on World Bank data
- Expected youth job growth and youth unemployment, based on ILO macro assumptions (macro economic trends, labor productivity trends)
- Expected youth job creation declared by surveyed entrepreneurs
- Comparisons of surveyed entrepreneurs' expectations regarding job creation in "business as usual" scenario vs. "if barriers were removed" scenario
- Assessment of job creation direct impact in second scenario at G20 level and in the G20 countries, compared to current trends
- Projections at G20 level and in G20 countries, including test of results with ILO and OECD data and qualitative cross-check with experts to ensure technical and economic plausibility of results

NB: The enclosed model does not take into account another critical dimension of youth job creation: the creation of jobs by young people for themselves, when they create their own business. Although this potential is hard to quantify precisely, concrete examples such as the jobs created by entrepreneurs prove its importance.

Chapter 4:

Entrepreneurs expect G20 budding reforms to be amplified

Since 2013, there's a new momentum for public policies dedicated to entrepreneurship, as more countries adopt entrepreneur-friendly policies.

Governments recognize the important role innovative entrepreneurs and start-up ecosystems play in boosting an inclusive and job-rich economic growth, as illustrated by the fact that the G20 heads of state and governments recognized the role of entrepreneurs in youth job creation in their final communiqué of the 2013 Summit.

Innovative legislations include:

1. Access to funding:
acknowledging the need for a strong legal framework around crowd-funding, 'fail fast' procedures to alleviate liquidation procedures and remove the stigma from failing to gain future access to finance

2. Help in going global more quickly:
thinking beyond traditional finance-oriented export policies to set facilitation programs such as start-up visas

3. Access to digital infrastructure:
investment in broadband infrastructure, rules and regulations to encourage the private sector to expand connectivity

4. Access to innovative talent:
taxation policies on stock options are becoming more accommodating and several countries introduced more flexible labor contracts

Australia helps young entrepreneurs' ideas flourish

Australia has been described as the 11th easiest country in which to start a business. Australia has a number of innovative programs designed to help young start-ups become successful.

One Australian organization working in this direction is UNSW Australia and its technology transfer company, NewSouth Innovations (NSi). NSi recently launched two programs to help drive new innovations into society and the economy: Easy Access IP and the Student Entrepreneur Development program.

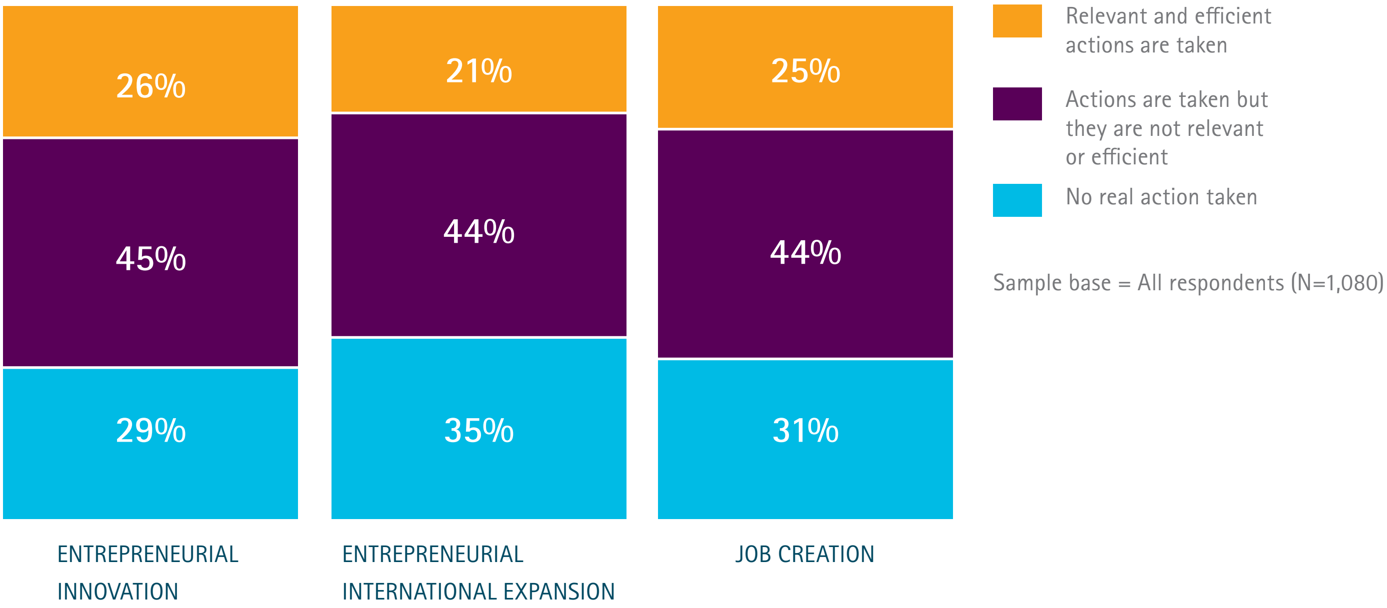
The Easy Access IP program offers UNSW research outputs to society for free. What is unique about this program is that the university forgoes any claim to license revenues and does not collect any royalties from commercialization. In return for the free license, the partner must agree to do something with the intellectual property, must acknowledge that the intellectual property came from UNSW and must agree to let the university continue to do research on the intellectual property. Student entrepreneurs are encouraged to develop Easy Access IP opportunities.

The Student Entrepreneur Development program at NSi encourages and facilitates UNSW students to become entrepreneurs and leaders of the future. It does this by providing students with a suite of free business support services and access to its industry networks. Thus far, the program has been a resounding success: More than 200 student-led start-up opportunities have been through the program in its first two years.

These two programs are good examples of how a university technology transfer office has found a way to capture ideas from young entrepreneurs and give them the tools and support to flourish. The programs can serve as a model that can be used to help young entrepreneurs outside the university system to more easily navigate the entrepreneur ecosystem and find a market for their promising new ideas.

Figure 15:

What do you think of the actions taken by your country's government?



Accenture's survey found that entrepreneurs who started their business in the past 12 months are more confident in the actions taken by their country's government to support youth job creation than "older" entrepreneurs.

However, most public policies are still largely fragmented and considered as not sufficient by entrepreneurs surveyed. Only about one-fourth of all entrepreneurs think that actions taken by their government to support entrepreneurial innovation are relevant and efficient, one-fifth of entrepreneurs feel that their government has done enough to support their international expansion and only one-fourth of all entrepreneurs consider the actions taken by their government to support youth job creation as relevant and efficient **(Figure 15).**

Entrepreneurs in the Accenture survey also have their own thoughts on what governments can and should do to help them succeed. They identified a number of policy actions entrepreneurs believe can help them boost innovation, expand globally, and create more jobs.

Five policy expectations to foster open innovation

Although entrepreneurs' expectations regarding innovation may vary from country to country and region to region due to unique local differences, five priority themes emerged from the Accenture survey and discussions with local experts **(Figure 16).**

1. Simplify regulation.

"Red tape" is still a major obstacle to growth in many countries, despite government commitments to address this topic, from reducing the number of days required to start a business to greater tolerance for failure. A typical example is the "sharing economy" where new entrants that create new business models face complex regulations that are slowing the rise of sharing economy players and impeding the creation of new activities and jobs.

2. Develop tax incentives to encourage open innovation.

Tax incentives for innovation are frequently mentioned as critical elements to support the development of new businesses—such as the tax R&D credit and tax reduction for "young innovative firms" in France, tax relief for early-stage investments through the "seed enterprise investment scheme" in the UK, and the R&D tax incentive in Australia. At the employee level, stock options—still favored by many start-ups—do not benefit from a stable and encouraging environment in all G20 countries, which is hampering entrepreneurs' efforts to attract and retain the top young talent.

3. Focus on Small Business Acts and other similar mechanisms to open public procurement to innovative small players and encourage open innovation with the participation of small companies. SBIR-like programs may enhance the investment made by start-ups in new technologies and DARPA-like programs can enable innovation through a bottom-up, government-directed network of agencies.[36] Although frequently mentioned, SBIR and DARPA still have few equivalents across G20 countries.

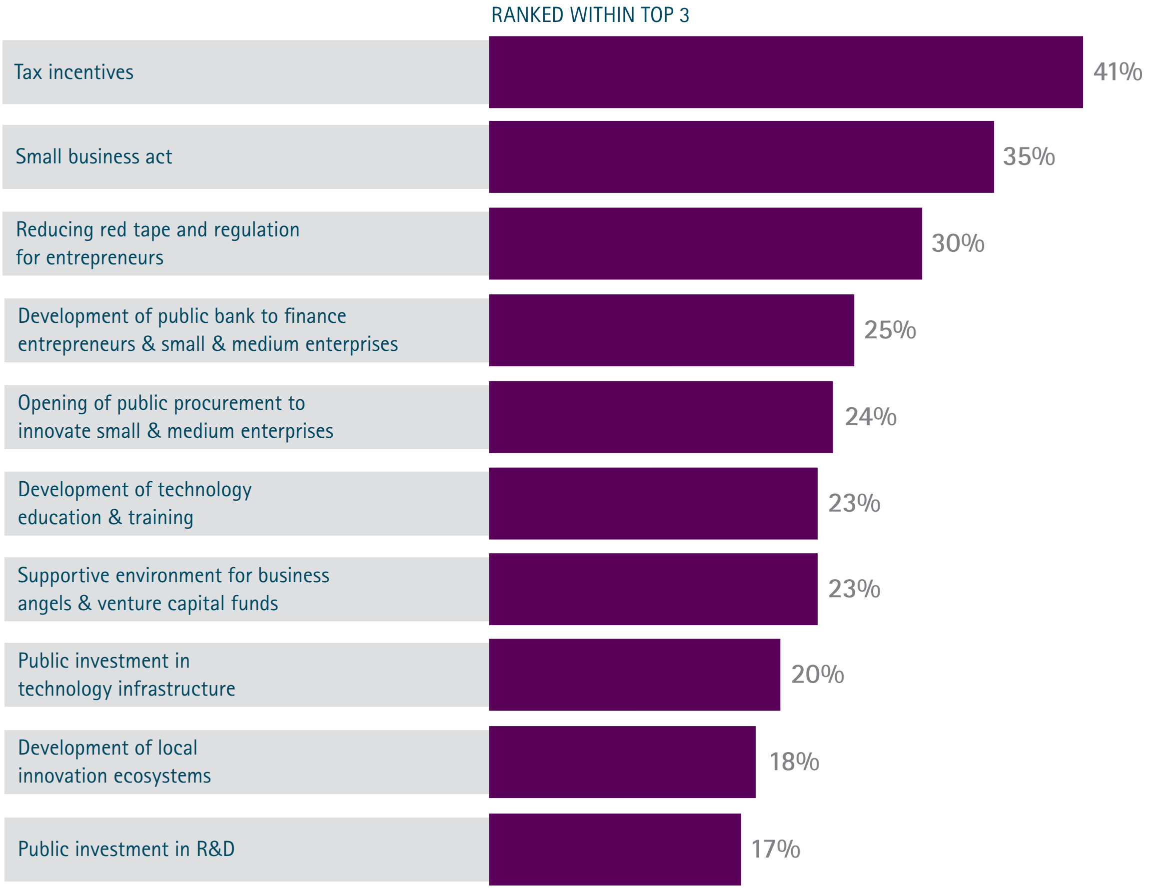
4. Develop better access to affordable financing, including through a flexible approach to crowdfunding and an improved venture capital ecosystem.

Financing for innovative start-ups is complex, as different financing instruments are needed for various stages of a firm's development. Policymakers in a number of countries have sought to address the prevailing seed and early-stage financing gaps by intervening in multiple areas simultaneously. A systems approach is needed that covers both supply- and demand-side intervention as well as framework conditions **(see page 45)**. Equity crowdfunding is a particularly promising field for start-ups and should be encouraged by G20 governments through policies that facilitate market development while protecting household investors.

5. Encourage systemic approaches that enable entrepreneurs, large businesses, bridgemakers and government to foster open innovation and youth job creation at the local level. Investment in digital infrastructures to enhance access to reliable and low-cost broadband, combined with adapted regulation on data and cloud, are typical examples of urgent reforms expected by a growing number of entrepreneurs. Such reforms require deep cooperation between various stakeholders of the entrepreneurial innovation ecosystem.

Figure 16:

What priority actions do you expect from the government in your country to support your innovation agenda?



Sample base = All respondents (N=1,080)

Policy expectations to foster entrepreneurs' global development

Entrepreneurs' expectations regarding trade and globalization converge frequently on key topics **(see page 44)**, regardless countries of origin, as entrepreneurs who aim at developing their business at the international level face similar issues and challenges.

The priority themes can be broadly grouped in four topics:

1. Support the conclusion of Global Trade agreements and implement the recent trade facilitation agreement, with an increasing focus on digital matters, to facilitate the rise of digital businesses across borders.

Entrepreneurs support the development of global trade through the reduction of tariff and non-tariff barriers. In this context, the rapid implementation of the Bali package agreement on trade facilitation is viewed as a step in the right direction by many but far from sufficient. Due to the rising importance of digital businesses and especially the businesses based on big data and analytics, the topic of "mobility of data" through national boundaries is a critical one as regulations in this field are considered to be largely outdated. Progress towards greater flexibility of data mobility, with a balanced approach toward innovation and the respect of privacy of individuals and a harmonization of cloud regulation and standards, will be key to further enhance the development of young firms at the global level.

2. Boost international financing of young firms.

International financing—particularly, its scarcity—was mentioned again and again as impeding the international development of young companies. Many entrepreneurs are concerned that trade financing, for instance, may be significantly inhibited by Basel III requirements and, therefore, want a renewed emphasis to ensure a dynamic trade financing sector.

3. Encourage the mobility of talent by lowering barriers to immigration for entrepreneurs.

Several countries have adopted programs to facilitate talent mobility. For instance, Canada's "Start up Visa program" will offer several thousand visas per year to entrepreneurs who secure funding from designated Canadian investors, whether VC or business angel. The US "Skills Visa" act will also aim to expand the local talent pool by allowing selected entrepreneurs to remain in the US for three years if they demonstrate significant investment or create more than four jobs. At the G20 level, a commitment to facilitate the mobility of entrepreneurs and workers with in-demand skills (such as digital expertise) though an accelerated visa scheme will help support entrepreneurs' international development.

4. Create more active communities and cross-pollination between G20 entrepreneurs through a formal "exchange" program.

In many countries, entrepreneurs can benefit from specific local technology clusters; however, in most cases, these clusters are not connected internationally to other equivalent clusters. At the bare minimum, the openness of clusters to "visiting" entrepreneurs—similar, to some extent, to the Erasmus program developed in the EU for students—might provide new opportunities for cross-pollination and ways to make G20 initiatives concrete to entrepreneurs. Already, communities of expatriates in Silicon Valley are helping entrepreneurs with similar origins, such as the South African expatriates grouped in the Sable Accelerator that help South African entrepreneurs expand in global markets. Beyond such targeted measures, the development of online and offline communities may greatly reinforce the sense of belonging to the entrepreneurs' ecosystem and enhance the development of international businesses.

Access to finance for young innovative firms

Karen E. Wilson, OECD and Bruegel

Young innovative firms face many difficulties accessing seed and early-stage finance and these difficulties have increased over the past several years. Banks have been reluctant to provide loans to start-ups as a result of the financial crisis. Meanwhile, venture capital firms have become more risk averse and, in many cases, have focused on later-stage investments. Angel investors have become more visible and active through groups, syndicates and networks and increasingly are playing an important role in seed and early-stage finance.[37]

There has been increasing concern from policymakers around the world about the growing financing gap for high-growth firms, particularly in the seed and early stage. As a result, governments in many countries have sought to address the financing gap and perceived market failures by supporting the seed and early-stage market.[38] However, the objectives behind these interventions often go beyond addressing financing gaps. Many countries recognize the critical role that young, innovative firms play in creating jobs and economic growth and are seeking ways to facilitate the creation and growth of these firms.[39]

Many policy measures have been on the supply side, ranging from grants, loans and guarantee programs to tax incentives and equity instruments. Support for all of these programs increased from 2007 to 2012 as a result of the financial crisis. However, in equity instruments, there has been a shift in focus in OECD countries from government equity funds that invest directly in start-ups to more indirect models such as co-investment funds and fund-of-funds. These later approaches seek to leverage private investment through various incentive structures.

The demand side is critical to success of seed and early-stage financing; however, it is often overlooked in favor of supply-side actions. For firms to launch and grow successfully, human capital development is important. This could be in the form of education, training and/or on-the-job experience.

Many successful entrepreneurs are serial entrepreneurs, starting more than one company. As they start new companies, they share their experience, knowledge and networks with others. There is increasing evidence of the importance of social capital, both local and global, as high-growth firms need to grow beyond national borders. International expansion and investment can be critical to the success of these firms.

The framework conditions in a country can perhaps have the most impact on the provision of seed and early-stage finance. The development of financial markets and exit opportunities, whether through IPOs on a stock exchange or mergers and acquisitions by other firms, directly influences the availability of seed and early-stage financing. Bankruptcy regulations, labor market restrictions and other framework conditions also impact the creation and growth of innovative firms.

Regulatory barriers and administrative burdens on institutional investors, venture capital funds, angel investors and high-growth firms can have a direct result on the provision of seed and early-stage finance. In particular, securities legislation and more stringent capital requirements on institutional investors could reduce the supply of investment in venture capital from banks, pension funds and insurance companies, traditionally three of the largest types of private institutional investors.

Financing for innovative start-ups is complex, as different financing instruments are needed for various stages of a firm's development. Policymakers in a number of countries have sought to address the prevailing seed and early-stage financing gaps by intervening in multiple areas simultaneously. Therefore, policy interventions should not be seen in isolation, but as a set of interacting policies. A systems approach is needed that covers both supply-and demand-side intervention as well as framework conditions. Evaluation and periodic adjustment of the specific policy instruments as well as the full policy mix is important, although it can be challenging in practice.

Policy expectations to foster access to talent and creation of jobs

Entrepreneurs face many challenges in creating jobs. Often, these challenges can be unique to a specific country or region due to prevailing public policies and regulations. However, entrepreneurs and local experts agreed on six broad policy themes that could help entrepreneurs find and hire talent and, in the process, significantly boost the number of jobs they create **(Figure 18).**

1. Support vocational training and apprenticeship.
Vocational training and apprenticeships are now recognized as critical to helping develop new skills in existing talent pools. However, entrepreneurs believe current programs must be amplified, except in a few countries where they are either recognized as well developed (such as Germany) or as being developed at scale (in the UK, for instance).

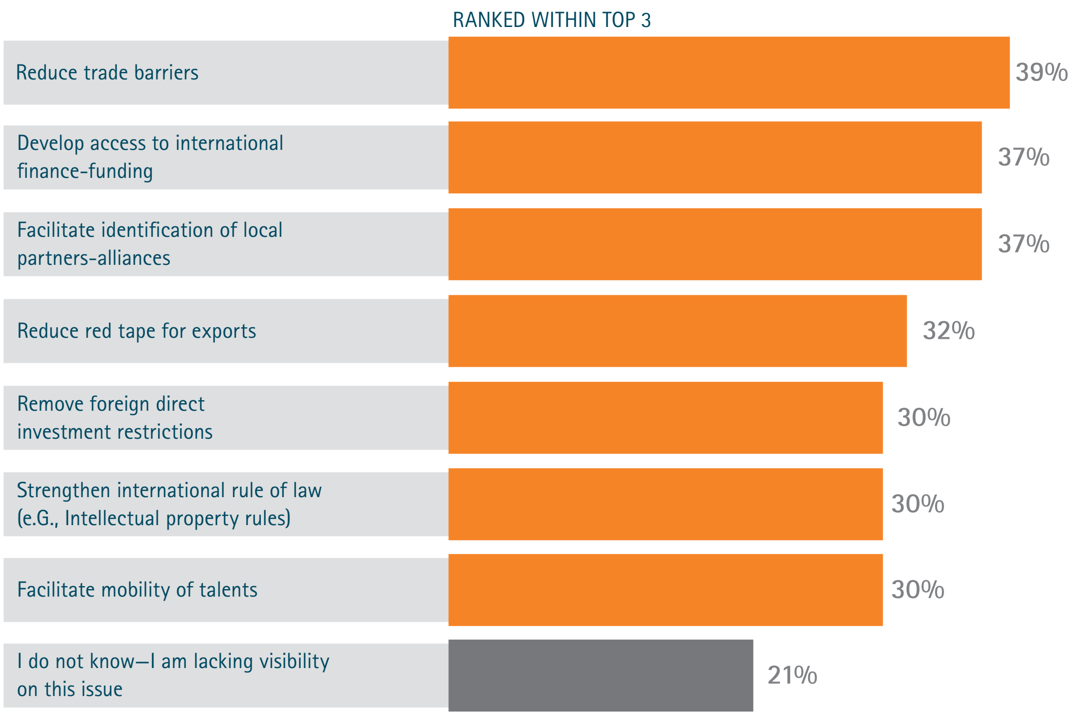
2. Develop STEM graduates.
Entrepreneurs need access to a greater talent pool for STEM graduates; hence, the expressed need for the development of STEM graduates at an accelerated pace in the G20 countries. The gap between supply of and demand for STEM is widening and impeding the development of entrepreneurs' businesses—whether focused specifically on digital goods and services or not.

3. Increase labor market flexibility.
Greater policy attention to the cost of labor and labor market flexibility is particularly important to entrepreneurs, who seek to boost youth employment but have no guarantee that their business will succeed. Italy, for instance, recently adopted new legislation that recognizes, for the first time, the unique needs of the start-up ecosystem by allowing flexible labor contracts (fixed terms lasting six to 36 months), specific variable pay packages, and tax benefits. Thus, a better match between skills supply and demand for skills is wanted by many entrepreneurs.[40]

4. Encourage entrepreneurship culture through new methods of education/learning.
Many entrepreneurs are looking for new approaches to education, and learning can be developed at scale to further enhance an entrepreneurial culture throughout G20 countries. Examples include dedicated Massive Online Open Courses (MOOCs); specific university programs, such as the EXIST program in Germany (which facilitates the development of new businesses through financial grants for tech infrastructures created for start-ups by universities); and courses given by entrepreneurs in universities to encourage potential young entrepreneurs to create their own businesses.

Figure 17:

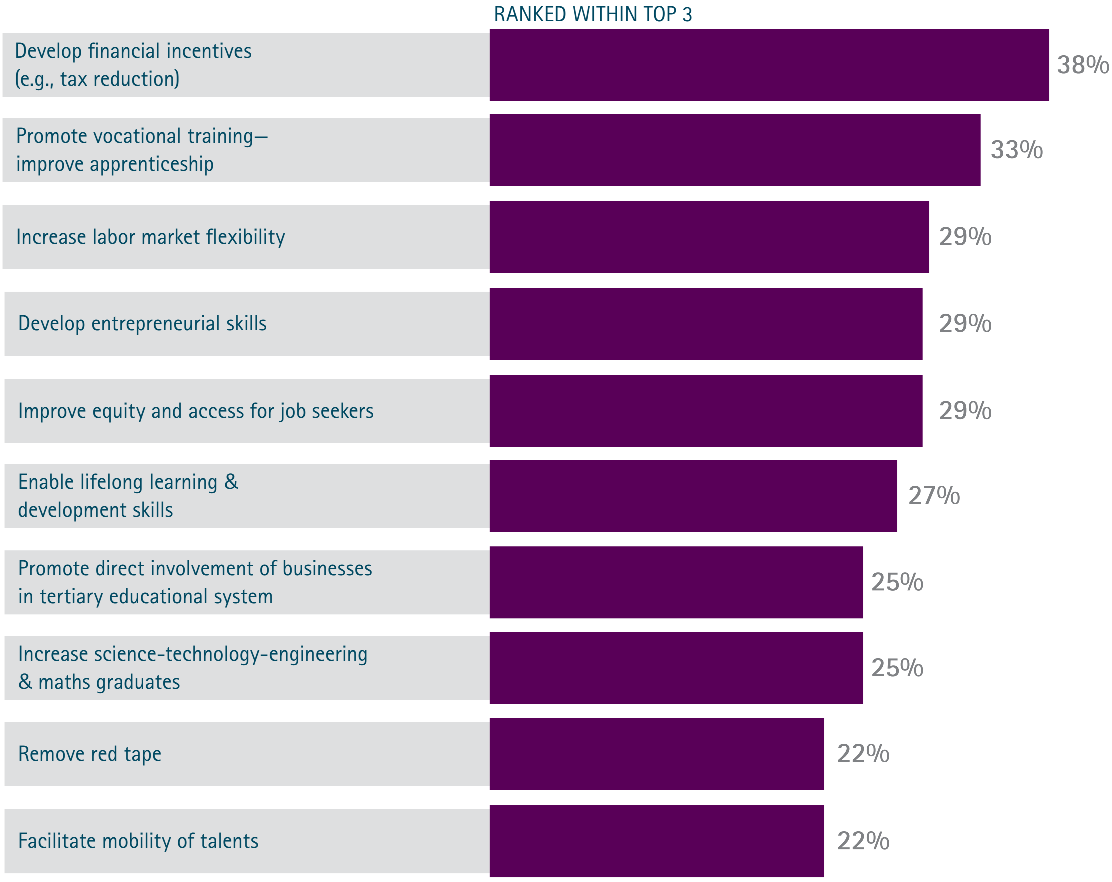
What priority actions do you expect from G20 governments to support your international expansion?



Sample base = All respondents (N=1,080)

Figure 18:

What priority actions do you expect from the government in your country to support youth job creation by your company?



Sample base = All respondents (N=1,080)

5. Encourage development of more agile types of working environment and forms of employment.

Innovative companies seek to develop a more agile and flexible working environments that allow them to tap into the best global talent while retaining flexibility to adjust. Regulations have often not fully kept pace with such arrangements. Examples of more agile environments include the use of freelancers and sub-contractors, easier access to visas to tap into globally scarce skills and homeworking or job-sharing agreements.

6. Facilitate development of new categories of companies focused on social outcomes as much as on economic and financial ones.

In the US, "benefit corporations," which are now recognized in 18 states, operate as for-profit companies but are also enabled to develop social and environment commitments. Around the world, new types of companies are needed to recognize and strengthen social businesses as a specific and promising type of business.

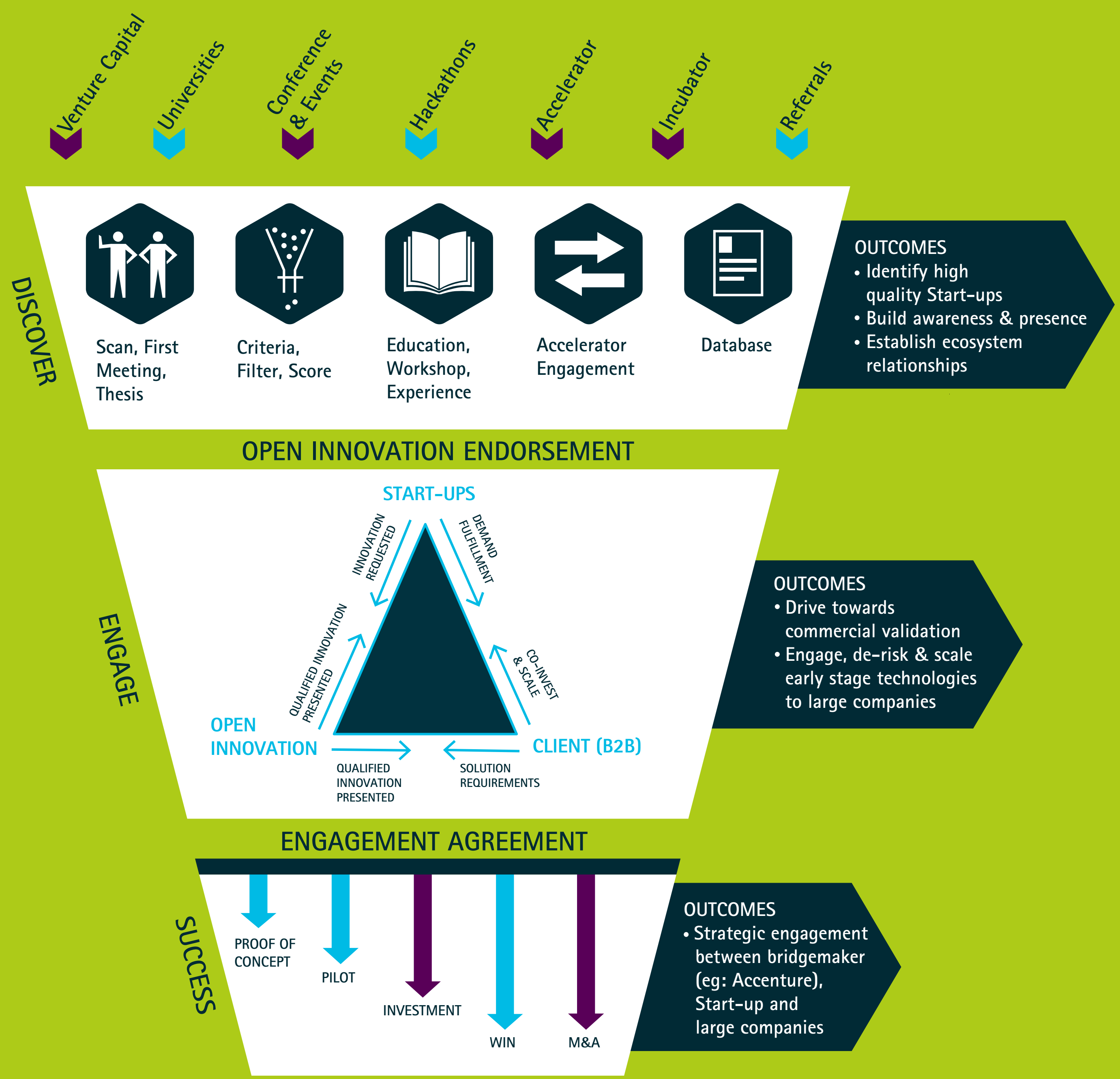
What should Large Companies do: Define their strategy for Digital Open Innovation

How to implement Digital Open Innovation in large companies

As large companies test different approaches to technology-enabled open innovation, they can benefit from a rigorous framework that can help maximize the impact of their open innovation program and their relationships with start-ups.

One example is the Accenture Open Innovation program, which operates as a bridgemaker. This framework, which includes three different phases (Discover, Engage and Success) can accelerate the open innovation process, enable entrepreneurs to achieve concrete outcomes at speed and scale, and ensure mutually beneficial connections with other companies at every stage of the process.

Open Innovation Process



About the research

To identify entrepreneurs' views on the opportunities and challenges related to innovation within their business and understand their expectations related to G20 governments' policies to support them in their growth and job creation, Accenture conducted a comprehensive research effort in close cooperation with the Young Entrepreneurs' Alliance.

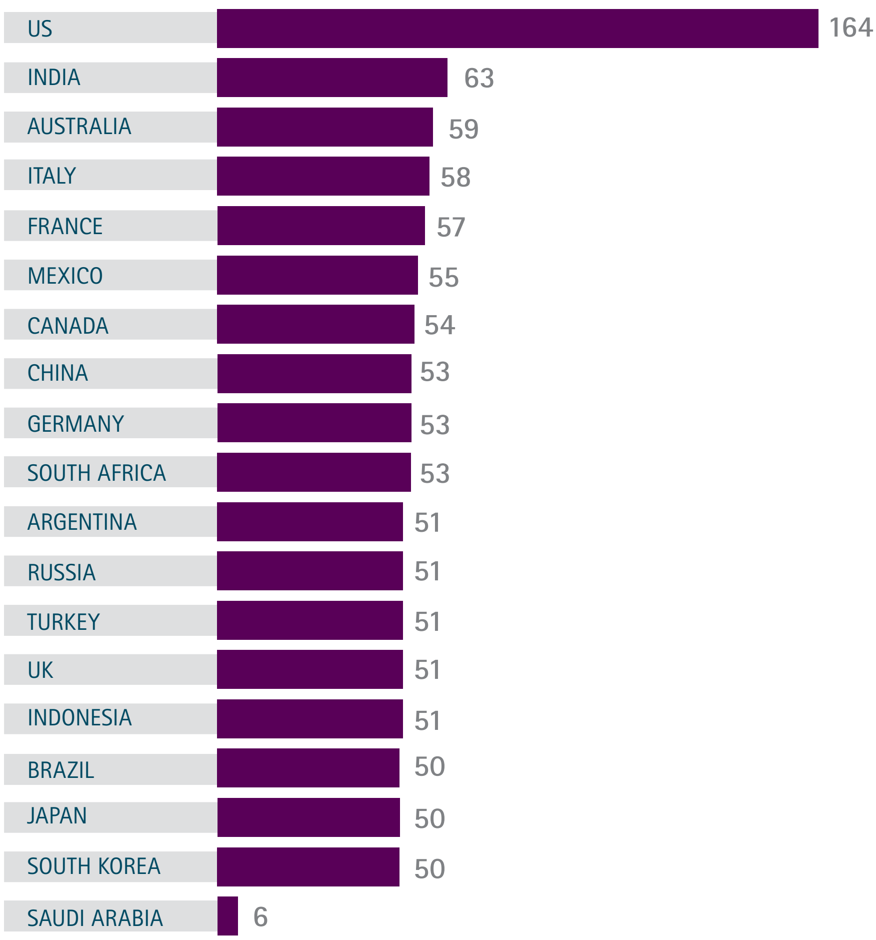
The research comprised six streams:

- An exclusive online survey of more than 1,000 entrepreneurs across G20 countries*
- An online collaborative forum of entrepreneurs powered by crowdsourcing
- Four workshops with entrepreneurs in the US, France, India and China
- More than 20 in-depth qualitative interviews with subject matter experts
- Analysis of the entrepreneur landscape in all G20 countries
- Modelling analysis of job-creation opportunities

Online survey of more than 1,000 entrepreneurs

The fieldwork for the online entrepreneur survey was conducted by Harris Interactive in G20 countries between March 2014 and April 2014. The detailed breakdown by country is as follows:

Number of survey respondents



Online forum powered by crowdsourcing

An online forum was created and maintained by Accenture in collaboration with Harris Interactive to give entrepreneurs an opportunity to express their opinion and share ideas with other entrepreneurs on the opportunities and challenges they face regarding innovation, with a focus on expectations for public policies and youth job creation. This online collaborative blog was active for the period throughout May 2014.

Interviews with subject matter experts

Accenture conducted more than 20 in-depth C-level interviews with venture capital firms, accelerators, business angels, universities and large corporations, as well as with experts in institutes, across G20 countries.

Four local workshops with entrepreneurs

To deepen the qualitative analysis, gather relevant country examples and develop actionable recommendations, Accenture conducted four workshops in April 2014 and May 2014, in San Jose (Silicon Valley), Paris, Bangalore and Beijing. Each workshop included between eight and 12 entrepreneurs.

Country analysis

Accenture created country profiles focused on recent initiatives supporting entrepreneurship in each G20 country, with a particular emphasis on innovation, trade/globalization, skills/employment and ecosystem/funding mechanisms. Accenture also cross-checked and reviewed its findings with many of the local representatives from the YEA, who were able to provide additional insights.

Job-creation model

The methodology combines population and labor force statistics and insights derived from Accenture's primary research. The process combines the following analysis:

- **Analysis of long-term trends** related to youth jobs, youth unemployment and role of entrepreneurs in creating youth jobs in G20 countries, based on publicly available data from sources such as World Bank, OECD and ILO
- **Views of surveyed entrepreneurs** on barriers that prevent them from recruiting more young people and on-job creation potential, should those barriers be removed
- **Projections at G20 level and in G20 countries,** including test of results with ILO and OECD data and qualitative cross-check with experts to ensure technical and economic plausibility of results

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Young Entrepreneurs' Alliance Executives

From the G20 YEA Thought Leaders Committee, we would like to recognize the significant contributions of:

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6. http://singularityu.org/overview/

7. Procter & Gamble is well known as one of the pioneers of open innovation. P&G's use of open innovation led to the development of many highly successful products that have since contributed millions of euros to P&G's top line. The company recently took its efforts a step further with the launch in 2013 of pgconnectdevelop.com, a website that directly links innovators to the company's greatest needs and P&G business leaders to external innovation submissions. "[O]ur focus is on strengthening areas of our open innovation work to deliver more discontinuous, breakthrough innovations," explained Laura Becker, general manager of P&G's Connect+Develop and Global Business Development, in announcing the site. "Part of that work means making connections both easier and more effective." http://www.pgconnectdevelop.com/home/stories/cd-stories/20130207-pg-connectdevelop-launches-new-open-innovation-website.html

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Survey results by country

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	South Africa	South Korea	Turkey	UK	US
How important is innovation to grow your business and create jobs?																		
Critical	18%	27%	20%	30%	15%	11%	9%	27%	22%	19%	28%	24%	2%	38%	12%	16%	27%	22%
Important	76%	46%	74%	48%	79%	65%	68%	70%	76%	72%	46%	69%	73%	55%	72%	69%	41%	49%
Not very important	4%	20%	2%	11%	6%	19%	15%	3%	2%	7%	20%	7%	25%	8%	14%	12%	25%	21%
Not important at all	2%	7%	4%	11%	0%	5%	8%	0%	0%	2%	6%	0%	0%	0%	2%	4%	6%	9%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
What best reflects your views regarding the importance of open innovation as an enabler of innovation for your business? By open innovation, we refer to joint innovation with external partners including large companies, start-ups, universities, government agencies, etc.																		
Open innovation is a major enabler of innovation in my business	41%	25%	46%	26%	38%	18%	28%	52%	63%	33%	28%	44%	31%	25%	22%	43%	37%	24%
Open innovation is an enabler but not a major one	47%	49%	48%	35%	60%	51%	42%	43%	33%	41%	30%	29%	55%	45%	56%	39%	41%	37%
Open innovation is not an enabler of innovation in my business	12%	25%	6%	39%	2%	32%	30%	5%	4%	26%	42%	27%	14%	30%	22%	18%	22%	39%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
To what extent do you collaborate with each of the following organizations when it comes to seeking innovation for your business?																		
Public institutions—Government																		
To a great extent—key partner for innovation	31%	24%	24%	26%	32%	19%	25%	33%	51%	26%	28%	27%	33%	15%	24%	22%	18%	20%
To some extent—some experience of collaboration	39%	46%	42%	22%	62%	49%	36%	32%	35%	33%	28%	40%	43%	43%	62%	57%	39%	32%
Never—no experience of collaboration	29%	31%	34%	52%	6%	32%	40%	35%	14%	41%	44%	33%	24%	42%	14%	22%	43%	49%
Academics—Universities, etc.																		
To a great extent—key partner for innovation	35%	25%	30%	20%	36%	19%	19%	33%	51%	31%	22%	47%	27%	23%	22%	33%	22%	20%
To some extent—some experience of collaboration	37%	37%	50%	20%	62%	42%	38%	46%	37%	33%	34%	36%	47%	36%	48%	45%	33%	40%
Never—no experience of collaboration	27%	37%	20%	59%	2%	39%	43%	21%	12%	36%	44%	16%	25%	42%	30%	22%	45%	40%
Social technologies (e.g., social media, social collaboration platforms, etc.)																		
To a great extent—key partner for innovation	41%	49%	38%	30%	53%	32%	30%	62%	76%	48%	36%	51%	33%	62%	24%	41%	39%	40%
To some extent—some experience of collaboration	43%	15%	36%	26%	42%	30%	30%	17%	18%	33%	22%	31%	35%	21%	44%	35%	22%	20%
Never—no experience of collaboration	8%	25%	14%	31%	6%	26%	23%	16%	4%	9%	24%	13%	22%	17%	18%	16%	25%	30%
R&D institutes																		
To a great extent—key partner for innovation	18%	17%	22%	15%	42%	19%	21%	46%	47%	19%	24%	24%	22%	13%	22%	22%	20%	15%

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	South Africa	South Korea	Turkey	UK	US
To some extent—some experience of collaboration	43%	34%	52%	22%	47%	49%	43%	24%	35%	41%	34%	33%	41%	36%	54%	61%	25%	23%
Never—no experience of collaboration	39%	49%	26%	63%	11%	32%	36%	30%	18%	40%	42%	44%	37%	51%	24%	18%	55%	62%
Peers—Other SMEs																		
To a great extent—key partner for innovation	24%	29%	30%	26%	45%	23%	23%	35%	41%	22%	32%	24%	24%	38%	20%	25%	31%	34%
To some extent—some experience of collaboration	43%	53%	48%	41%	47%	40%	38%	41%	47%	38%	26%	40%	47%	42%	56%	59%	41%	41%
Never—no experience of collaboration	33%	19%	22%	33%	8%	37%	40%	24%	12%	40%	42%	36%	29%	21%	24%	16%	27%	24%
Large companies																		
To a great extent—key partner for innovation	37%	25%	40%	19%	43%	21%	26%	44%	53%	24%	30%	31%	31%	25%	28%	31%	20%	14%
To some extent—some experience of collaboration	35%	47%	46%	43%	45%	60%	40%	29%	35%	45%	38%	42%	49%	49%	50%	55%	45%	41%
Never—no experience of collaboration	27%	27%	14%	39%	11%	19%	34%	27%	12%	31%	32%	27%	20%	26%	22%	14%	35%	45%
Customers (e.g., co-creation)																		
To a great extent—key partner for innovation	49%	54%	46%	37%	53%	23%	40%	49%	90%	38%	38%	38%	33%	62%	34%	55%	39%	49%
To some extent—some experience of collaboration	37%	37%	40%	41%	43%	54%	40%	40%	10%	40%	40%	51%	47%	30%	50%	37%	45%	34%
Never—no experience of collaboration	14%	8%	14%	22%	4%	23%	21%	11%	0%	22%	22%	11%	20%	8%	16%	8%	16%	16%
Incubators—Accelerators																		
To a great extent—key partner for innovation	22%	29%	34%	19%	34%	12%	13%	27%	35%	17%	26%	36%	22%	9%	14%	25%	16%	10%
To some extent—some experience of collaboration	31%	15%	40%	17%	57%	47%	43%	38%	43%	41%	30%	25%	41%	26%	52%	49%	25%	18%
Never—no experience of collaboration	47%	56%	26%	65%	9%	40%	43%	35%	22%	41%	44%	38%	37%	64%	34%	25%	59%	73%
Non-profit organizations (e.g., foundations)																		
To a great extent—key partner for innovation	29%	20%	18%	15%	38%	19%	19%	33%	25%	17%	18%	15%	22%	19%	18%	24%	24%	16%
To some extent—some experience of collaboration	47%	42%	62%	26%	53%	44%	45%	30%	57%	36%	34%	40%	51%	42%	48%	57%	33%	37%
Never—no experience of collaboration	24%	37%	20%	59%	9%	37%	36%	37%	18%	47%	48%	45%	27%	40%	34%	20%	43%	47%
How important is international expansion to grow your business and create jobs?																		
Critical	6%	15%	18%	13%	15%	14%	9%	22%	22%	14%	22%	11%	2%	15%	6%	20%	27%	9%
Important	67%	44%	54%	39%	66%	42%	32%	54%	67%	53%	34%	60%	65%	38%	46%	51%	31%	29%
Not very important	16%	22%	16%	22%	15%	21%	36%	22%	12%	21%	18%	20%	27%	19%	34%	24%	22%	26%
Not at all important	12%	19%	12%	26%	4%	23%	23%	2%		12%	26%	9%	6%	28%	14%	6%	20%	37%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	South Africa	South Korea	Turkey	UK	US
How important are digital technologies in the success of your international expansion?																		
Critical	22%	24%	24%	15%	13%	19%	11%	16%	25%	9%	18%	25%	6%	19%	6%	14%	27%	11%
Important	53%	34%	60%	35%	62%	28%	30%	57%	63%	57%	34%	53%	53%	40%	44%	57%	33%	30%
Not very important	12%	17%	6%	13%	15%	25%	32%	19%	10%	19%	20%	9%	25%	8%	32%	16%	12%	12%
Not important at all	2%	7%	2%	7%	6%	9%	4%	5%		3%	10%	4%	12%	4%	8%	6%	4%	6%
Not applicable—We do not plan to expand internationally	12%	19%	8%	30%	4%	19%	23%	3%	2%	12%	18%	9%	4%	30%	10%	8%	24%	41%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
What are the main obstacles faced by your company in its international expansion?																		
Logistics costs	33%	32%	30%	35%	15%	28%	36%	38%	41%	38%	28%	45%	18%	26%	32%	27%	24%	17%
Challenges to find local partners-alliances	27%	27%	32%	24%	21%	26%	19%	41%	33%	33%	18%	31%	25%	25%	30%	31%	37%	20%
Access to international finance-funding	37%	12%	32%	17%	17%	28%	17%	35%	35%	34%	20%	36%	31%	28%	26%	33%	20%	14%
Lack of sufficient local market knowledge to identify opportunities	12%	32%	28%	24%	36%	23%	26%	30%	22%	21%	34%	31%	27%	17%	34%	14%	27%	20%
Specific local regulations	27%	24%	30%	20%	28%	14%	17%	22%	27%	19%	22%	25%	25%	19%	28%	18%	16%	20%
Trade barriers	25%	14%	36%	24%	23%	18%	15%	19%	22%	28%	22%	24%	37%	25%	18%	27%	24%	12%
Cultural differences (especially in negotiations)	31%	15%	16%	17%	38%	23%	19%	14%	33%	21%	16%	16%	25%	23%	28%	27%	12%	18%
Finding local skilled resources to support the local—regional markets	14%	20%	18%	13%	36%	21%	21%	19%	41%	31%	32%	13%	22%	17%	28%	25%	20%	12%
Foreign direct investment restrictions	29%	8%	20%	7%	15%	19%	13%	16%	16%	16%	16%	18%	27%	13%	18%	22%	16%	9%
Concerns on intellectual property	10%	19%	12%	11%	25%	12%	17%	10%	16%	12%	10%	11%	25%	11%	18%	20%	16%	15%
Obstacles to mobility of talents	18%	10%	22%	13%	25%	19%	4%	17%	8%	17%	4%	11%	18%	6%	16%	20%	8%	12%
At least one of these obstacles	88%	71%	92%	69%	92%	77%	68%	87%	98%	90%	74%	87%	94%	70%	92%	88%	73%	56%
None of these obstacles	12%	29%	8%	31%	8%	23%	32%	13%	2%	10%	26%	13%	6%	30%	8%	12%	27%	44%
Do you expect to create new jobs in 2014?																		
No	22%	29%	16%	44%	13%	32%	30%	5%	4%	38%	42%	13%	16%	19%	16%	14%	49%	43%
Yes	78%	71%	84%	56%	87%	68%	70%	95%	96%	62%	58%	87%	84%	81%	84%	86%	51%	57%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
To what extent do you plan to develop external collaboration (e.g., crowdsourcing, freelancers, contractors) as a substitute to recruitment in 2014?																		
To a large extent—external collaboration will be broadly leveraged	24%	25%	36%	26%	43%	16%	21%	32%	43%	28%	32%	24%	27%	13%	12%	22%	27%	13%
To some extent—external collaboration will be leveraged but remain limited	41%	37%	48%	33%	51%	47%	34%	37%	49%	45%	32%	49%	55%	57%	62%	69%	31%	27%
We do not plan to develop external collaboration	35%	37%	16%	41%	6%	37%	45%	32%	8%	28%	36%	27%	18%	30%	26%	10%	41%	60%

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	South Africa	South Korea	Turkey	UK	US
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Would you define yourself as a social entrepreneur?																		
Yes	80%	58%	88%	63%	87%	72%	53%	75%	84%	72%	72%	71%	69%	77%	66%	86%	55%	55%
No	20%	42%	12%	37%	13%	28%	47%	25%	16%	28%	28%	29%	31%	23%	34%	14%	45%	45%
What best describes your definition of a social entrepreneur?																		
'Actively contribute to build the local community and/ or develop solutions to social problems	31%	59%	66%	52%	62%	63%	49%	62%	75%	66%	54%	60%	41%	62%	40%	59%	63%	51%
'Non-profit activity	20%	15%	10%	7%	19%	11%	17%	2%	6%	9%	22%	18%	25%	2%	40%	22%	8%	13%
'Financial self-sustainable company in which profits are reinvested into the business itself.	49%	25%	24%	41%	19%	26%	34%	37%	20%	26%	24%	22%	33%	36%	20%	20%	29%	36%
What are the main barriers that prevent your company to recruit more young people (30 years old)? Ranked within top 3																		
Availability of appropriate skills	43%	47%	64%	61%	60%	42%	60%	71%	75%	50%	62%	56%	65%	64%	52%	71%	59%	76%
Access to finance-capital	49%	54%	54%	65%	38%	60%	60%	44%	41%	60%	38%	51%	49%	81%	52%	57%	67%	57%
Lack of incentives	59%	59%	54%	70%	43%	44%	36%	46%	41%	57%	64%	47%	67%	57%	50%	51%	57%	57%
Labor market inflexibility	45%	46%	52%	48%	58%	65%	43%	59%	43%	55%	48%	44%	49%	47%	40%	37%	51%	41%
Government regulation and compliance requirements	57%	54%	38%	26%	57%	47%	47%	35%	43%	48%	42%	58%	29%	30%	56%	29%	45%	40%
Support for innovation	47%	39%	38%	30%	43%	42%	53%	44%	57%	29%	46%	44%	41%	21%	50%	55%	22%	29%
What do you think of the actions taken by the government in your country to support entrepreneurial innovation?																		
Relevant and efficient actions are taken	25%	15%	28%	22%	43%	25%	13%	35%	35%	22%	28%	29%	24%	13%	22%	29%	25%	23%
Actions are taken but they are not relevant or efficient	37%	47%	52%	39%	47%	47%	58%	48%	55%	36%	30%	44%	53%	53%	64%	57%	37%	39%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
With regard to supporting your innovation agenda, what priority actions do you expect from the government in your country? Ranked within Top 3																		
Tax incentives	47%	47%	36%	48%	23%	37%	49%	38%	37%	57%	44%	42%	37%	51%	20%	18%	45%	46%
'Small Business Act '	37%	34%	28%	50%	26%	26%	32%	27%	31%	47%	30%	31%	29%	42%	30%	31%	31%	43%
Reducing red tape and regulation for entrepreneurs	25%	31%	24%	44%	13%	39%	34%	35%	10%	33%	18%	24%	25%	53%	10%	20%	35%	39%
Development of public bank to finance entrepreneurs and small and medium enterprises	29%	14%	24%	20%	30%	33%	21%	22%	27%	36%	28%	24%	33%	28%	30%	24%	37%	15%
Opening of public procurement to innovative small and medium enterprises	29%	22%	24%	19%	19%	16%	17%	19%	25%	17%	36%	33%	24%	28%	32%	37%	24%	19%
Supportive environment for business angels and venture capital funds	22%	24%	22%	24%	34%	19%	21%	27%	35%	7%	26%	13%	24%	21%	36%	31%	20%	17%
Development of technology education and training	27%	27%	28%	15%	9%	32%	15%	27%	31%	16%	22%	24%	16%	25%	22%	25%	14%	26%

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	South Africa	South Korea	Turkey	UK	US
Public investment in technology infrastructure	24%	17%	22%	22%	13%	25%	28%	13%	18%	29%	18%	27%	18%	9%	20%	20%	18%	18%
Development of local innovation ecosystems	12%	22%	18%	11%	34%	18%	11%	29%	14%	19%	16%	24%	22%	2%	24%	25%	25%	12%
Public investment in R&D	10%	14%	18%	17%	23%	19%	17%	24%	16%	9%	18%	11%	18%	13%	22%	16%	27%	19%
Improvement of Intellectual Property rights	16%	19%	18%	17%	30%	19%	17%	13%	20%	9%	8%	18%	27%	6%	16%	16%	10%	18%
Open Data promotion	18%	10%	18%	7%	32%	11%	19%	14%	20%	14%	22%	18%	12%	17%	18%	25%	8%	15%
Improve immigration policy for skilled workers	4%	20%	20%	6%	13%	7%	19%	13%	16%	9%	14%	13%	16%	6%	20%	12%	6%	16%
What do you think of the actions taken by the government in your country to support entrepreneurs' international expansion?																		
Relevant and efficient actions are taken	14%	22%	28%	19%	43%	18%	13%	35%	35%	17%	20%	33%	14%	9%	18%	25%	22%	15%
Actions are taken but they are not relevant or efficient	43%	39%	54%	31%	45%	44%	36%	41%	55%	45%	34%	42%	63%	34%	64%	53%	29%	37%
No real action taken	43%	39%	18%	50%	11%	39%	51%	24%	10%	38%	46%	25%	24%	57%	18%	22%	49%	48%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
With regard to supporting entrepreneurs' international expansion, what priority actions do you expect from G20 governments?																		
Reduce trade barriers	47%	31%	58%	39%	34%	37%	30%	41%	41%	43%	30%	47%	51%	49%	38%	43%	37%	30%
Develop access to international finance-funding	41%	42%	32%	46%	32%	23%	17%	54%	41%	59%	32%	58%	49%	43%	46%	41%	27%	20%
Facilitate identification of local partners-alliances	33%	37%	46%	31%	43%	33%	38%	49%	49%	43%	40%	47%	41%	30%	48%	45%	29%	19%
Reduce red tapes for exports	33%	37%	32%	31%	26%	30%	26%	35%	45%	36%	24%	35%	43%	42%	28%	20%	37%	27%
Remove Foreign Direct Investment restrictions	35%	29%	36%	22%	55%	28%	25%	40%	29%	34%	38%	27%	27%	28%	44%	37%	22%	18%
Strengthen international rule of law	24%	32%	32%	19%	43%	28%	34%	29%	47%	24%	28%	29%	20%	25%	30%	43%	31%	28%
Facilitate mobility of talents	39%	20%	46%	17%	43%	32%	34%	33%	35%	29%	24%	35%	33%	21%	36%	29%	22%	24%
At least one of these actions expected	84%	76%	94%	69%	92%	70%	68%	94%	96%	90%	72%	93%	88%	79%	90%	86%	69%	55%
None of these actions expected	16%	24%	6%	31%	8%	30%	32%	6%	4%	10%	28%	7%	12%	21%	10%	14%	31%	45%
What do you think of the actions taken by the government in your country to support youth job creation?																		
Relevant and efficient actions are taken	18%	25%	34%	20%	57%	18%	23%	41%	25%	17%	28%	33%	25%	11%	24%	37%	24%	13%
Actions are taken but they are not relevant or efficient	45%	49%	52%	43%	28%	47%	42%	37%	63%	36%	28%	42%	57%	43%	50%	39%	39%	43%
No real action taken	37%	25%	14%	37%	15%	35%	36%	22%	12%	47%	44%	25%	18%	45%	26%	24%	37%	43%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	South Africa	South Korea	Turkey	UK	US
What priority actions do you expect from the government in your country to support youth job creation by your company? Ranked within top 3																		
Develop financial incentives, e.g., tax reduction	43%	49%	28%	33%	34%	47%	38%	41%	33%	53%	26%	38%	22%	40%	28%	37%	43%	37%
Promote vocational training-improve apprenticeship	43%	41%	28%	31%	34%	21%	15%	40%	35%	28%	24%	40%	31%	32%	24%	25%	37%	41%
Increase labor market flexibility	41%	25%	32%	19%	23%	40%	26%	32%	31%	40%	46%	38%	35%	23%	34%	24%	29%	18%
Develop entrepreneurial skills	25%	24%	32%	43%	30%	39%	32%	29%	47%	29%	22%	22%	22%	45%	24%	10%	29%	24%
Improve equity and access for job seekers	20%	32%	32%	33%	36%	19%	43%	25%	16%	28%	32%	29%	31%	17%	34%	31%	31%	27%
Enable lifelong learning and development of skills	8%	27%	28%	26%	26%	19%	32%	27%	27%	16%	26%	22%	24%	26%	38%	31%	39%	34%
Promote direct involvement of businesses in tertiary educational system	33%	25%	28%	20%	36%	25%	21%	25%	14%	33%	18%	27%	22%	17%	30%	25%	31%	22%
Increase Science-Technology-Engineering and Maths graduates	29%	24%	18%	15%	21%	19%	17%	17%	29%	14%	34%	29%	33%	26%	20%	37%	6%	35%
Remove red tape	16%	34%	16%	37%	11%	16%	19%	21%	12%	16%	18%	7%	25%	38%	20%	16%	27%	33%
Facilitate mobility of talents	24%	5%	28%	22%	15%	40%	38%	21%	33%	28%	24%	24%	25%	11%	28%	25%	14%	12%
Increase transferability of skills by standardizing certifications and qualifications	18%	14%	30%	20%	34%	14%	19%	22%	22%	17%	30%	24%	29%	25%	20%	37%	12%	18%

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Accenture is a global management consulting, technology services and outsourcing company, with more than 293,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$28.6 billion for the fiscal year ended Aug. 31, 2013. Its home page is www.accenture.com.

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Accenture Research is Accenture's global organization devoted to economic and strategic studies. The staff consists of 200 professionals in economics, surveys and data modeling from Accenture's principal offices in America, Europe, Africa and Asia/Pacific.

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Accenture Technology Labs, the dedicated technology research and development (R&D) organization within Accenture, has been turning technology innovation into business results for more than 20 years. Our R&D team explores new and emerging technologies to create a vision of how technology will shape the future and invent the next wave of cutting-edge business solutions. Using our knowledge of the technology ecosystem, our Open Innovation team help clients connect to the leading innovative startups to identify relevant technology trends, fuel innovation internally and develop transformative programs. Technology Labs help clients innovate to achieve high performance. The Labs are located in Silicon Valley, California; Sophia Antipolis, France; Arlington, Virginia; Beijing, China and Bangalore, India. For more information follow us @AccentureLabs and visit www.accenture.com/technologylabs.