

Report: Top 1% of Entrepreneurial Firms Responsible for Largest Share of Job Creation among Start-ups

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- New report: The bulk of the wealth and job creation driven by start-ups is concentrated in a much smaller percentage of companies than typically expected.
- Governments seeking to promote growth through entrepreneurship need to learn what makes their local top 1% of companies successful as opposed to just aiming to replicate Silicon Valley.
- Eight different key growth strategies for early-stage companies are highlighted.
- Successful examples of high-impact, early-stage companies are increasingly coming from around the globe. Seventy case studies across 22 countries are featured.
- More information on the report can be found here: www.weforum.org/issues/global-entrepreneurship

New York, USA - According to the Global Entrepreneurship and Successful Growth Strategies of Early-Stage Companies report, released today by the World Economic Forum in collaboration with Stanford University and Endeavor Global, the top 1% of companies from among 380,000 companies reviewed across 10 countries contribute 44% of total revenue and 40% of total jobs, while the top 5% contribute 72% of total revenue and 67% of total jobs.

The report recommends that policy-makers seeking to drive wealth creation and jobs through entrepreneurship develop a better understanding of the economic, social and political factors which helped the leading local companies to succeed. “ Understanding the elite few in their own ecosystem may prove a far more effective strategy than trying to replicate the success factors of other entrepreneurial hubs such as Silicon Valley, ” said George Foster, Wattis Professor of Management and Dhirubhai Ambani Faculty Fellow in Entrepreneurship at the Graduate School of Business, Stanford University, USA, and co-author of the report.

“ After avoiding a collapse of the global financial system, governments are now focused on building the foundation for future growth. Entrepreneurs are recognized as important drivers of economic and social progress. We hope that this report provides useful insights into the phenomenon of global entrepreneurship and will help to encourage and foster further high-impact entrepreneurs around the globe, ” remarked Max von Bismarck, Director and Head of Investors Industries, World Economic Forum, and co-author of the report.

“ This report offers compelling proof that to drive economies forward, the key is not to generalize approaches for all entrepreneurs, but to focus resources on high-impact entrepreneurs – those innovators with the highest potential to scale, ” said Linda Rottenberg, Co-Founder and Chief Executive Officer of Endeavor.

The report also highlights eight different growth strategies that early-stage companies around the globe are adopting as well as the opportunity/risk factors associated with each: (1) creating and riding a new business growth wave, (2) new product in a new category, (3) new product in an existing category, (4) redesign of business value chain, (5) research or discovery of knowledge, (6) rollup (aggregation) of existing players, (7) governmental, regulatory or political change, and (8) idea transfer or transplant.

Recognizing the increasing globalization of successful and high-impact entrepreneurship, the report features 70 case studies across 22 countries on companies as diverse as Baidu, eBay, Etihad Airways, Skype, Microsoft and WPP. Each case focused on various factors including growth accelerators, growth challenges and negative periods that the founders faced.

The research team included academic scholars from North America (George Foster from Stanford University), Europe (Tony Davila from IESE/Spain and Martin Haemmig from CeTim/Germany) and Asia (Xiaobin He from Huazhong University/China and Ning Jia from Tsinghua University/China).

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