

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

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- 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
- The full report can be found at: <http://www.weforum.org/issues/global-entrepreneurship>
- An abridged Chinese version of the report is available at: <http://www3.weforum.org/docs/WEFEntrepreneurshipReport2011CN.pdf>

Dalian, People ' s Republic of China, 15 September 2011 According to the [Global Entrepreneurship and Successful Growth Strategies of Early-Stage Companies](#) report by the World Economic Forum, written 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.

Professor Ning Jia from Tsinghua University and Professor Xiaobin He of Huazhong University of Science and Technology contributed to the report, putting together case studies on innovative Chinese companies such as Baidu, China Lodging Group, Ctrip.com and Suntech. The Chinese version of the report includes the executive summary and 10 selected case studies. It can be downloaded [here](#).

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 that helped the leading local companies to succeed. Today, there is growing venture capital activity in China and India, as well as other parts of Asia, Latin America, the Middle East and Africa. It is against a global backdrop that this report examines and provides a better understanding of the genesis of early-stage companies, their growth paths and the impact these companies have on employment and the economy.

“ 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.

“ Entrepreneurs are increasingly recognized as important drivers of economic and social progress. We hope that this report provides relevant input and further dialogue among governments, entrepreneurs, investors and other stakeholders to foster entrepreneurship with the ultimate goal of improving economic growth, prosperity and quality of life, ” remarked Michael Drexler, Senior Director and Head of Investors Industries at the World Economic Forum.

“ 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, USA.

The report also highlights eight different growth strategies that early-stage companies are adopting as well as the opportunity/risk factors associated with each: creating and riding a new business growth wave; new product in a new category; new product in an existing category; redesign of business value chain; research or discovery of knowledge; rollup (aggregation) of existing players; governmental, regulatory or political change; and 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 Power Holdings, eBay, Skype, Microsoft and WPP. Each case study focuses on various factors, including growth accelerators, growth challenges and negative periods that the founders faced.

The research team also included academics from North America (George Foster from Stanford University, USA) and Europe (Tony Davila from IESE, Spain and Martin Haemmig from CeTim, Germany).

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