

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

14 September 2011

Kai Bucher, Associate Director, Media, Tel.: +1 212 703 2377; [Kai.Bucher@weforum.org](mailto:Kai.Bucher@weforum.org)

[Chinese Version | 中文](#)

- 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).

#### Members of the Steering Committee:

Calvin Chin, Chief Executive Officer, Qifang, People ' s Republic of China

Kevin Comolli, Partner, Accel Partners, United Kingdom

Howard Cox, Advisory Partner, Greylock, USA

Dan ' l LewiŕCorporate Vice-President for Strategic and Emerging Business, Microsoft Corporation, USA

Bernard Liautaud, General Partner, Balderton Capital, United Kingdom

Linda Rottenberg, Co-Founder and Chief Executive Officer, Endeavor, USA (Young Global Leader Alumni, World Economic Forum)

Jean-Bernard Schmidt, Founding Managing Partner, Sofinnova Partners, France

Helmut Schühsler, Managing Partner, TVM Capital, Germany

David Spreng, Founder and Managing Partner, Crescendo Ventures, USA

Niklas Zennström, Founder, Atomico Ventures, United Kingdom (Young Global Leader Alumni, World Economic Forum)

#### Notes to Editors

Become a fan of the Forum on Facebook at <http://wef.ch/facebook>

Follow the Forum on Twitter at <http://wef.ch/twitter> and <http://wef.ch/livetweet>

Read the Forum Blog at <http://wef.ch/blog>

Read Forum reports on Scribd at <http://wef.ch/scribd>

Upcoming Forum events at <http://wef.ch/events>

Subscribe to Forum News Release at <http://wef.ch/news>

---

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests. It cooperates closely with all leading international organizations ([www.weforum.org](http://www.weforum.org)).



World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva  
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, <http://www.weforum.org>