



Entrepreneurship in Ireland 2008

Global Entrepreneurship Monitor (GEM)

The Annual Report for Ireland
PAULA FITZSIMONS & COLM O'GORMAN



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ENTREPRENEURSHIP IN IRELAND 2008



GLOBAL ENTREPRENEURSHIP MONITOR (GEM) THE IRISH ANNUAL REPORT

Paula Fitzsimons

Colm O’Gorman

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CONTENTS

TABLE OF CONTENTS	3
LIST OF TABLES, FIGURES AND APPENDIX	5
ACKNOWLEDGEMENTS	7
AUTHORS' DETAILS	8
FOREWORD	9
FEATURED ENTREPRENEURS	10
DEFINITIONS	12
SIGNIFICANT CHANGES IN ENTREPRENEURSHIP IN 2008	13
SECTION 1: ENTREPRENEURSHIP IN IRELAND IN 2008	15
1.1 A Snapshot of Entrepreneurship	15
1.2 Ireland Compares Well Internationally	16
1.3 Very Positive Culture for Entrepreneurship	16
1.4 Less Perception of Entrepreneurial Opportunities	16
1.5 Effect of Entrepreneurship Training	17
1.6 Fear of Failure as an Inhibitor	18
1.7 Serial Entrepreneurs	18
1.8 Exits by Entrepreneurs	18
1.9 Who is the Typical Entrepreneur?	18
1.10 Ethnic Entrepreneurs	20
1.11 Impact of Overseas Experience	20
1.12 Finance Needed	20
1.13 Sectoral Focus	21
1.14 Export Orientation	21
1.15 Degree of Innovation	21
1.16 High Tech Entrepreneurs	22
1.17 Expected Employment Creation	22
SECTION 2: ENTREPRENEURSHIP IN THE REGIONS OF IRELAND	41
2.1 Introduction	41
2.2 Overview of Rates of Entrepreneurial Activity in the Regions	42
2.3 Regional Profiles	43
The Border Region	43
The Dublin Region	44
The Mid-East Region	45
The Midlands Region	46
The Mid-West Region	47
The South-East Region	48
The South-West Region	49
The West Region	50



SECTION 3: NARROWING THE GENDER DIVIDE - A CHALLENGE STILL TO BE TACKLED	51
3.1 The Entrepreneurial Gender Divide	51
3.2 Regional Differences in Early Stage Entrepreneurs	51
3.3 Reasons for the Decrease in Women Early Stage Entrepreneurs in 2008	52
3.4 Established Entrepreneurs by Gender	52
3.5 Similarities Between Men and Women Entrepreneurs	53
3.6 Differences Between Men and Women Entrepreneurs	54
3.7 Differences in High Growth Expectation	55
3.8 The Challenge	58
SECTION 4: FEATURED ENTREPRENEURS	61
4.1 Introduction	61
4.2 Profiles of Recent Entrepreneurs	62
Barry Smyth	62
Barry Usher	64
Claire McDonough	66
Deirdre Walsh	68
John Lynch	70
Karen Morgan	72
Marco Giannantonio	74
Mark Duckenfield	76
Michelle Lynch	78
Paul McNulty	80
Rose Quilter	82
Tara Dalton	84
SECTION 5: THE ENVIRONMENT FOR ENTREPRENEURSHIP	87
5.1 Introduction	87
5.2 Entrepreneurial Finance	87
5.3 Government Support for Entrepreneurship	88
5.4 Entrepreneurship Education	89
5.5 R&D Transfer	89
5.6 Commercial and Legal Infrastructure for Entrepreneurship	90
5.7 Regulation of Market Entry	90
SECTION 6: CONCLUSIONS AND RECOMMENDATIONS	91
6.1 Is Entrepreneurship Important?	91
6.2 Is Ireland a Good Place to Start a Business?	91
6.3 Enhancing the Environment for Entrepreneurs	92
Appendix 1: Global Results at a Glance	96



LIST OF TABLES, FIGURES AND APPENDIX

TABLES

Table 1.1: A Snapshot of Entrepreneurship in Ireland in 2008	15
Table 1.2: Entrepreneurial Activity in Ireland from 2004 to 2008	16
Table 1.3: The Impact of Entrepreneurial Training in Ireland	18
Table 1.4: Exits by Entrepreneurs in Ireland	18
Table 1.5: Early Stage Entrepreneurial Activity by Age in Ireland	19
Table 1.6: Early Stage Entrepreneurial Activity by Education in Ireland	19
Table 1.7: Financing a New Business in Ireland	21
Table 1.8: Entrepreneurial Activity: OECD and EU	23
Table 1.9: Entrepreneurial Culture of Population: OECD and EU	23
Table 1.10: Personal Context of Population: OECD and EU	24
Table 1.11: Intention to Start a Business: OECD and EU	24
Table 1.12: Training and Education in Starting a Business: OECD and EU	25
Table 1.13: Training and Education in Starting a Business by Age: OECD and EU	26
Table 1.14: Serial Entrepreneurs: OECD and EU	27
Table 1.15: Entrepreneurial Exits: OECD and EU	27
Table 1.16: Reasons for Exits: OECD and EU	28
Table 1.17: Early Stage Entrepreneurial Activity by Age: OECD and EU	29
Table 1.18: Established Entrepreneurial Activity by Age: OECD and EU	29
Table 1.19: Early Stage Entrepreneurial Activity by Highest Education Level: OECD and EU	30
Table 1.20: Established Entrepreneurial Activity by Highest Education Level: OECD and EU	30
Table 1.21: Early Stage Entrepreneurial Activity by Household Income: OECD and EU	31
Table 1.22: Established Entrepreneurial Activity by Household Income: OECD and EU	31
Table 1.23: Opportunity and Necessity Motives for Early Stage Entrepreneurial Activity: OECD and EU	32
Table 1.24: Motives of Early Stage Entrepreneurs: OECD and EU	32
Table 1.25: Informal Investment Activity: OECD and EU	33
Table 1.26: Sector of Activity of Early Stage Entrepreneurs: OECD and EU	33
Table 1.27: Sector of Activity of Established Entrepreneurs: OECD and EU	34
Table 1.28: International Orientation of Early Stage Entrepreneurs: OECD and EU	35
Table 1.29: International Orientation of Established Entrepreneurs: OECD and EU	36
Table 1.30: Newness of Technology of Early Stage Entrepreneurs: OECD and EU	37
Table 1.31: Newness of Product/Service of Early Stage Entrepreneurs: OECD and EU	37
Table 1.32: Extent of Competition Facing Early Stage Entrepreneurs: OECD and EU	38
Table 1.33: Market Impact of Early Stage and Established Entrepreneurs: OECD and EU	39
Table 1.34: Expected Employment Growth of Early Stage Entrepreneurs: OECD and EU	40
Table 1.35: Expected Employment Growth of Established Entrepreneurs: OECD and EU	40
Table 2.1: NUTS III Regions in Ireland	41
Table 2.2: Entrepreneurial Activity by Region (2004-2008)	42
Table 2.3: Border Region	43
Table 2.4: Dublin Region	44
Table 2.5: Mid-East Region	45



LIST OF TABLES, FIGURES AND APPENDIX

TABLES CONTINUED

Table 2.6: Midlands Region	46
Table 2.7: Mid-West Region	47
Table 2.8: South East Region	48
Table 2.9: South West Region	49
Table 2.10: West Region	50
Table 3.1: Ireland's Early Stage Entrepreneurial Activity by Gender from 2004 to 2008	51
Table 3.2: Ireland's Early Stage Entrepreneurial Activity by Gender by Region (2004-2008)	52
Table 3.3: Ireland's Established Entrepreneurs by Gender from 2004 to 2008	53
Table 3.4: Ireland's Rate of Established Entrepreneurs by Gender by Region (2004-2008)	53
Table 3.5: Age Profile of Early Stage Entrepreneurs by Gender (2004-2008)	54
Table 3.6: Sector Focus of Early Stage Entrepreneurs (2004 – 2008)	54
Table 3.7: Highest Education Attainment Level of Early Stage Entrepreneurs by Gender (2004-2008)	55
Table 3.8: Work Status of Early Stage Entrepreneurs in Ireland by Gender (2004-2008)	55
Table 3.9: Planned Financial Requirements and Investments of Early Stage Entrepreneurs by Gender (2004-2008)	55
Table 3.10: Early Stage Entrepreneurs Planning to Invest Less Than €100,000 by Gender (2004-2008)	55
Table 3.11: The Growth Expectations of Men and Women Entrepreneurs (2004-2008)	56
Table 3.12: The Export Orientation of Men and Women Entrepreneurs (2004-2008)	56
Table 3.13: Early Stage Entrepreneurs by Gender: OECD and EU	57
Table 3.14: Personal Context of Population by Gender: OECD and EU	58
Table 3.15: Established Entrepreneurs by Gender: OECD and EU	59
Table 3.16: Training and Education in Starting a Business by Gender: OECD and EU	60

FIGURES

Figure 1: High Tech Early Stage Entrepreneurs (2002-2008)	22
Figure 2: High Growth Expectation Early Stage Entrepreneurs (2002-2008)	22

APPENDICES

Appendix 1: Global Results at a Glance	96
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We are also grateful to all the entrepreneurs and expert informants that were consulted as part of this research. They gave generously of their time and their insights as always enriched our understanding of the changing environment for entrepreneurship in Ireland.

We would also like to thank those recent entrepreneurs who agreed to be featured on the cover of this year's report. We hope that their achievements will be an inspiration to others.

For the first time the GEM 2008 report details an entrepreneurial profile for each of nine regions across Ireland. We are very grateful to Niels Bosma, GEM Research Director, who assisted in the preparation of the relevant figures. We hope that these additional insights, which can be provided by combining several years of GEM data, will be of interest.

As always our sincere thanks must also go to our sponsors, Enterprise Ireland, Forfás and AIB, whose generous sponsorship underlines their commitment to entrepreneurship and makes possible Ireland's participation in GEM.

A GEM report for Ireland has been published each year since 2000. In addition, during this period, two separate reports on Entrepreneurship on the Island of Ireland, based on GEM data, were produced. The data and analysis contained in these reports have been referenced extensively by Ministers, policy makers, development agencies, academics and the media. They have also formed an important frame of reference for a range reports including that of the Small Business Forum *Small Business is Big Business*, National Competitiveness Reports and *Towards the Development of an Entrepreneurship Policy* among others. It is clear that that GEM has provided important data to inform and shape policy choices.

Due to budgetary constraints on the part of our sponsors, Ireland will not participate in the GEM research cycle in 2009. We hope to be in a position to participate again in the 2010 research cycle so that GEM data and analysis can continue to inform entrepreneurship policy and programmes in the coming years.

Finally, our sincere thanks go to the many readers of the GEM annual reports. By your comments it appears that many of you find the information of value in a wide variety of circumstances. We are grateful for your feedback and for your continued interest in the research.

Paula Fitzsimons



Colm O'Gorman





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FOREWORD

Ireland is at heart an entrepreneurial nation. Now more than ever we need to tap into that ability to identify opportunity, assemble resources and create new enterprises. We need to harness the entrepreneurial potential of all the people living within the country both men and women, those born here and those for whom Ireland has become home.

I am heartened that GEM is reporting no fall off in the level of those who have recently set up a new business, that Ireland continues to the fore in Europe in *early stage entrepreneurs* and that there continues to be a high number of established owner managers. Indeed the City and County Enterprise Boards and Enterprise Ireland are noticing an increase in the numbers interested in setting up businesses.

Given the pattern of almost full employment that characterised Ireland for more than a decade, the GEM reports of the last few years have pointed to the fact that nearly all of those individuals who were setting up new businesses in Ireland were doing so in response to an opportunity. With the rise in unemployment this year the GEM report is noting that there has been an increase in the number of those who are turning to entrepreneurship as a means for creating a job for themselves, perhaps having been made redundant. I am determined to ensure that as much support as possible is given to these entrepreneurs to allow them to create sustainable, innovative businesses, so that the employment and other economic benefits that can flow from the creation of new businesses can benefit the wider community.

We need all of what is best from entrepreneurship now more than ever. The establishment of new businesses can bring many benefits to the Irish economy and can enrich the base of SMEs while adding to competitiveness, innovation and employment creation. In this context it is good to know that the culture and social norms remain broadly positive in Ireland towards entrepreneurship, despite the challenging times we are living through right now.

The findings in this latest GEM report suggest that participation in entrepreneurship education or training has positive effects on an individual's preparedness and their likelihood of becoming an entrepreneur. The research also suggests, however, that two thirds of those setting up a new business do not have any prior training in starting a business, whether at school or subsequently. Given that starting and running a business is a complex undertaking, access to education and training is crucial.

Entrepreneurship in many respects is a grass roots movement. It consists of almost 2,800 individuals starting new businesses every month. That is a lot of new businesses. These are important events in the lives of the individuals concerned, but they happen without any fanfare. It is only when they are looked at together does the scale of their combined impact become evident.

The GEM report allows us to realise just how many entrepreneurs there are in Ireland, to benchmark the rate of entrepreneurial activity in the country against other developed countries and to track changes in the environment for entrepreneurship over time. I would like to thank Paula Fitzsimons and Colm O'Gorman for another fine report and for adding to our knowledge in this most important area.

Mary Coughlan, T.D.

Tánaiste

Minister for Enterprise, Trade and Employment

May 2009

FEATURED ENTREPRENEURS



1. BARRY SMYTH



2. BARRY USHER



3. CLAIRE McDONOUGH



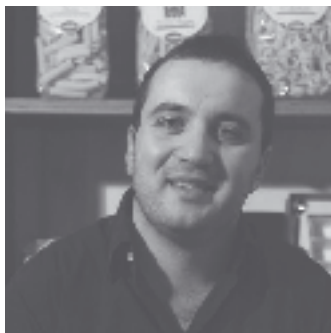
4. DEIRDRE WALSH



5. JOHN LYNCH



6. KAREN MORGAN



7. MARCO GIANNANTONIO



8. MARK DUCKENFIELD



9. MICHELLE LYNCH



10. PAUL MCNULTY



11. ROSE QUILTER



12. TARA DALTON

FEATURED ENTREPRENEURS

A profile of the following entrepreneurs is included in Section 4.

1.

Entrepreneur: Barry Smyth
New Business: Heystaks
Activity: Web search /
 Browser tool
Location: NovaUCD, Dublin

2.

Entrepreneur: Barry Usher
New Business: Usher Aviation
 Ireland Ltd.
Activity: Aircraft maintenance
Location: Sligo Regional Airport

3.

Entrepreneur: Claire McDonough
New Business: La Maison
Activity: Gift, Wedding Registry &
 Interior Specialists
Location: Letterkenny, Co. Donegal

4.

Entrepreneur: Deirdre Walsh
New Business: ChinaGreen
Activity: Providing professional
 China skills to
 Irish businesses
Location: Dublin

5.

Entrepreneur: John Lynch
New Business: Merrion
 Pharmaceuticals plc
Activity: Drug development
Location: Dublin

6.

Entrepreneur: Karen Morgan
New Business: Karen Morgan Ceramics
Activity: Earthworks, Co-operative
 ceramics studio
 and gallery
Location: Thomastown, Co. Kilkenny

7.

Entrepreneur: Marco Giannantonio
New Business: Flavour of Italy Ltd.
Activity: Cookery School / Catering /
 Wine Bar / Gastro Tourism
Location: Dublin

8.

Entrepreneur: Mark Duckenfield
New Business: Emergent Events
Activity: The AIB Street Performance
 World Championships
Location: Dublin and Cork

9.

Entrepreneur: Michelle Lynch
New Business: Crannagh & Co.
 International Trade and
 Services Ltd
Activity: International trade and
 customs advisors
Location: Belturbet, Co. Cavan

10.

Entrepreneur: Paul McNulty
New Business: Trinity Innovations
Activity: Digital magazine software
Location: Letterkenny, Co. Donegal

11.

Entrepreneur: Rose Quilter
New Business: NoteTaking Solutions Ltd.
Activity: Electronic note taking and
 communication service
Location: Cork

12.

Entrepreneur: Tara Dalton
New Business: Stokes Bio
Activity: Development and
 application of microfluidic
 technology
Location: Limerick City



DEFINITIONS

Nascent entrepreneurs

Nascent entrepreneurs are those actively planning a new venture. These entrepreneurs have done something during the previous twelve months to help start a new business, that he or she will at least part own. Activities such as organising the start-up team, looking for equipment, saving money for the start-up, or writing a business plan would all be considered as active commitments to starting a business. Wages or salaries will not have been paid for more than three months in respect of the new business. Many of these individuals are still in fulltime employment. The rate is for those in the adult population aged 18-64 years inclusive.

New firm entrepreneurs

New firm entrepreneurs are entrepreneurs who at least part own and manage a new business that is between 4 and 42 months old and have not paid salaries for longer than this period. These new ventures are in the first 42 months after the new venture has been set up. The rate is for those in the adult population aged 18-64 years inclusive.

Total early stage entrepreneurial activity (TEA rate)

As its name implies, total early stage entrepreneurial activity refers to the total rate of early stage entrepreneurial activity among the adult population aged 18-64 years inclusive. In some instances, this rate is less than the combined percentages for *nascent* and *new firm entrepreneurs*. This is because, in circumstances where respondents qualify as both a *nascent* and a *new firm entrepreneur*, they are counted only once.

High growth expectation early stage entrepreneurs

Growth expectations are measured in terms of jobs growth expected after five years. *High growth expectation early stage entrepreneurs* are defined as those *early stage entrepreneurs* expecting to employ twenty or more staff within five years.

Established business owners

In addition to those individuals who are currently involved in the early-stages of a business, there are also many individuals who have set up businesses that they have continued to own and manage for a longer time. These individuals are included in the *established business owner* index which captures the percentage of individuals in a population that have set up businesses that they have continued to own and manage and which has paid wages or salaries for more than 42 months. The rate is for those in the adult population aged 18-64 years inclusive.

SIGNIFICANT CHANGES IN ENTREPRENEURSHIP IN 2008

Despite the changed economic environment in Ireland in 2008, GEM reports that at the time of the 2008 GEM survey (June 2008) there was no fall off in the level of those who had recently set up a new business (*new firm entrepreneurs*) (4.3%), and that Ireland continued to the fore in Europe in *early stage entrepreneurs* (7.6%). There continues to be a high number of *established owner managers*, at 9% of the adult population.

Reflecting the changing conditions for entrepreneurs and owner managers, however, there was a significant decline in those actively planning new businesses (*nascent entrepreneurs*) (3.3% in 2008 compared to 4.2% in 2007) and a significant decline in the number of people perceiving good opportunities to start a new business – down to 27% from 46% in 2007. This was one of the sharpest declines across participating GEM countries.

Furthermore, the proportion of *early stage entrepreneurs* reporting that they were considering starting a business because they had no better choice, so called *necessity entrepreneurs*, rose considerably (from 6% in 2007 to 19% in 2008). So while most entrepreneurs in Ireland are motivated to start a business by a perceived opportunity, one in five is now motivated by necessity.

The business opportunities identified by *early stage entrepreneurs* changed in 2008, with a decline in new businesses focussed on the consumer sector, 37% in 2008 from 44% in 2007. Therefore new businesses planned or recently started are spread more evenly across consumer, business, and transformative sectors, although the consumer sector continues to dominate.

The number of *owner managers* exiting from a business was higher in 2008 (3.6%) than in 2007 (2.7%). In exactly half the instances, however, the business continued after the exit of the *owner manager*. In neither year were difficulties obtaining finance cited as the reason for closure to any great extent.

More generally, culture and social norms remained broadly positive in Ireland towards

entrepreneurship, although the perception that entrepreneurship is a good career choice declined sharply in 2008. The medium term aspiration (3 year time horizon) among people to become an entrepreneur remains at previous levels.

The upward trend reported in the previous year in the number of women starting new businesses was reversed in 2008. Of all women, less were *early stage entrepreneurs* in 2008 compared to 2007 (4.0% compared to 5.6%); while for men, more were *early stage entrepreneurs* in 2008 (up from 10.6% in 2007 to 11.2%).

New research carried out by GEM in 2008 explored the issue of *ethnic entrepreneurs*. GEM reports that those who were not born in Ireland are more active as *early stage entrepreneurs* (9.1%) than are those who were born in the country (7.3%). This research also demonstrates that spending time living out of Ireland - whether the individual was born in Ireland or not - increases the likelihood of the person being involved as an early stage entrepreneur.

Participation in entrepreneurship education or training has positive effects on an individual's preparedness and their likelihood of becoming an entrepreneur, according to new GEM research. For example, in Ireland, those that have some training or education in entrepreneurship are one and a half times more likely to perceive that they have the skills, knowledge and experience to start a new firm and are three times more likely to report that they expect to start a business in the future. It is also apparent that almost two thirds of *early stage entrepreneurs* start their businesses without having participated in any entrepreneurship training despite the widespread availability of such courses throughout the country.

For the first time, the 2008 GEM report contains information on entrepreneurial activity in Ireland at regional level (Section 2 of the report). This data suggests that there is variation in the extent and nature of entrepreneurship across the regions.







SECTION 1

ENTREPRENEURSHIP IN IRELAND IN 2008

1.1 A SNAPSHOT OF ENTREPRENEURSHIP

The economic backdrop for entrepreneurial activity changed dramatically in Ireland during 2008. After more than a decade of consistent growth, with buoyant consumer spending and sentiment, economic growth initially slowed and then, reflecting wider global conditions, the economy slipped into recession. This was combined with a significant tightening of available credit. The GEM adult population research was carried out in June 2008 when the first intimations were already clear but before the depth and potential length of the recession in Ireland and throughout the world become more apparent.

GEM research indicates that an average of 2,800 people were setting up new businesses in Ireland every month from the beginning of 2005 to mid 2008. It is estimated that of those setting up new businesses each month, 500 were high growth expectation entrepreneurs that is they anticipated that their new business would employ at least 20 within five years.

Table 1.1 provides a snapshot of entrepreneurship in Ireland in 2008 with the rate of those within the adult population who aspire to start a business, as well as the rates of *nascent*, *new firm* and *established entrepreneurs* and entrepreneurial exits.

There was no fall off in 2008 over 2007 in the numbers of *new firm entrepreneurs*. There continued to be a relatively high proportion of *established entrepreneurs* among the adult population (9%), while the closure by entrepreneurs of business which they had previously established also remained at the 2007 level (1.8%). There was a significant decline in the number of *nascent entrepreneurs*, that is those actively taking steps to start a new business (3.3% in 2008 compared to 4.2% in 2007). This is the lowest level of *nascent entrepreneurs* recorded in the last five years and is a very significant decline. In common with other countries, however, there was no real decline in the number aspiring to start a new business in the next three years. (Table 1.2)

TABLE 1.1 A SNAPSHOT OF ENTREPRENEURSHIP IN IRELAND IN 2008

Measures	ASPIRATION To Start A Business	NASCENT Entrepreneurs	NEW FIRM Entrepreneurs	ESTABLISHED Entrepreneurs	EXITS
Measures used in GEM	Aspires to start a business in the next 3 years ¹	Actively planning a new business	Started a business (that pays wages) in last 3 1/2 years	Owns and manages a firm started in 2004 or earlier	Closed a business in previous 12 months and the business was discontinued
Percent of population	10.0%	3.3%	4.3%	9.0%	1.8%
Number of people	272,500	90,200	117,500	246,900	49,600

¹ Among the non-entrepreneurially active adult population only the rate is 6%. The 10% rate relates to the adult population as a whole.



TABLE 1.2: ENTREPRENEURIAL ACTIVITY IN IRELAND FROM 2004 TO 2008

Year	Future aspirations to be entrepreneur	Nascent entrepreneurs	New firm entrepreneurs	Total early stage entrepreneurs ² (TEA)	Established firm entrepreneurs	Closed firm entrepreneurs
2008	10.0%	3.3%	4.3%	7.6%	9.0%	1.8%
2007	11.2%	4.2%	4.2%	8.2%	9.0%	1.9%
2006	9.8%	4.5%	2.9%	7.4%	7.8%	1.8%
2005	12.6%	5.7%	4.7%	9.8%	8.1%	2.3%
2004	11.0%	4.4%	3.6%	7.7%	6.5%	1.3%
Average	10.9%	4.4%	3.9%	8.1%	8.1%	1.8%

1.2 IRELAND COMPARES WELL INTERNATIONALLY

In 2008, the rate at which entrepreneurs were starting businesses in Ireland (4.3%) was similar to the rate reported in 2007 and continued well above the EU (2.7%) and OECD (3.3%) averages and compares favourably to the rate prevalent in the United States (5.0%). (Table 1.8 at end of section)³ The rate of *established entrepreneurs* is also one of the highest across the OECD (9.0%).

Ireland's relatively high rate of entrepreneurship in recent years means that there is a large cohort of individuals with experience of setting up a new business. These are a good source of future entrepreneurs having been strengthened by their previous entrepreneurial experience. They also act as role models to others and influence the number of individuals who are positively disposed to becoming entrepreneurs in the future.

The rate of *nascent entrepreneurs* (3.3%), however, is only just slightly higher than the EU average (3.2%) and lower than the OECD average (3.9%).

1.3 VERY POSITIVE CULTURE FOR ENTREPRENEURSHIP

Entrepreneurship continues to be very well regarded in Ireland with over 80% of the adult population believing that successful entrepreneurs are held in high esteem. This is

broadly in line with previous years. It indicates that entrepreneurs have a higher status in Ireland than is typical across the EU (71%) or OECD (69%). (Table 1.9 at end of section).

This positive culture is strengthened by the manner in which the media depicts entrepreneurs. Two in three of the adult population (65%) in Ireland regards this as being very supportive. Again this is similar to 2007 and is significantly more positive than is generally the case across the EU (51%) and OECD (55%).⁴

A marked decline in the general perception of entrepreneurship as a good career choice is evident for the first time in 2008. The year on year decline is from 63% to 55% and for the first time is below the EU (61%) and OECD averages (60%). This most likely reflects the greater attractiveness of paid employment over entrepreneurship in uncertain times. Compared to experts and entrepreneurs in other countries, the Irish GEM key informants are very clear that the national culture encourages entrepreneurial risk taking.⁵ Responding to a number of questions to assess the cultural and social norms regarding entrepreneurship in their country, only key informants in the United States are more positive in this regard.

1.4 LESS PERCEPTION OF ENTREPRENEURIAL OPPORTUNITIES

While the number actually starting new firms

² TEA is the sum of nascent entrepreneurs plus new firm entrepreneurs, discounting any double counts.

³ Of the 43 countries included in the GEM research, 22 were members of the OECD and/or EU, namely Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea-South, Latvia, Mexico, Netherlands, Norway, Romania, Slovenia, Spain, Turkey, UK and US.

⁴ It is showing a decline, however, on the extremely high rate observed in 2006 (85%) and earlier years.

⁵ Besides ascertaining the views and opinions of the adult population through a detailed survey, as part of the GEM annual research, GEM also gathers the views and opinions of a panel of entrepreneurs and experts in a standard way across participating countries. The opinions of GEM's national key informant panel are ascertained through their completion of a detailed questionnaire. Their views are also ascertained in an open manner on the strengths and weakness of the national environment for entrepreneurship and the manner in which that environment could be further improved. As their opinions are gathered in a similar manner in participating countries their responses can be compared across countries. The key informant panel in Ireland is made up of about 70 experts and entrepreneurs.

remained relatively steady in Ireland, there was a significant fall off in the number of individuals who perceived good opportunities to start a business in the short term. This declined from 46% of adults in 2007 to 27% in 2008. The GEM survey was conducted in June 2008, after the first signs of a pending financial crisis but before the scale of the current economic crisis was fully appreciated.

The Global GEM Report notes that while most countries show a decline from 2007 to 2008, Ireland had one of the steepest declines in the perception of good entrepreneurial opportunities across GEM participating countries.⁶

The rate at which individuals in Ireland in 2008 perceived good short term entrepreneurial opportunities (27%) is the lowest rate ever recorded by GEM research in Ireland. Despite this fall, Ireland is only slightly below the EU average (31%) and the OECD average (31%), though is a full ten percentage points less than the US (37%). (Table 1.10 at end of section)

Notwithstanding the sharp downturn in the perception of entrepreneurial opportunities in the short term, the aspiration among people in Ireland to start their own business remains high. In Ireland the aspiration rate was 10% in 2008 compared to 11% the previous year and is above the EU average (9%) but below the OECD average (12%). (Table 1.11 at end of section)

The intention to become an entrepreneur over the next three years has not declined at anything like the same rate as has been observed with regard to the decline in the perception of entrepreneurial opportunities. This trend is similar to that perceived by GEM research in other countries. The GEM Global Executive Report provides several possible explanations for this.

- The crisis may actually cause individuals to seriously consider becoming entrepreneurs in the near future because they fear they might lose their jobs.
- The group of (potential) entrepreneurs may be less pessimistic than the total adult population and may not perceive the financial crisis as a substantial

burden for getting their *own* business started – they might for instance, draw more heavily on their *own* perceived capabilities to start a business.

- They may have decided to defer the start-up to the end of the three year period, in the expectation that the recession will be over within three years.

1.5 EFFECT OF ENTREPRENEURSHIP TRAINING

Almost half of those living in Ireland believe that they have the necessary knowledge, skills and experience to successfully start a new business (48%). In 2008 this level of self belief remained broadly similar to previous years. While ahead of the EU and OECD averages (40% and 42% respectively), the rate in Ireland is, however, behind that of the United States (56%). (Table 1.10 at end of section)

New research carried out by GEM in 2008 demonstrated that participation in education or training in relation to entrepreneurship has positive effects on an individual's preparedness and their likelihood of becoming an entrepreneur. In Ireland, those with training or education in entrepreneurship are more likely to perceive that they have the skills, knowledge and experience required to start a business and are more likely to expect to start a business in the future. (Table 1.3) They are also more likely to be currently active as an *early stage entrepreneur* (though the training or education may not have preceded the decision to be an entrepreneur).

Approximately one in four adults (26%) in Ireland has participated in some type of training or education in starting a business. (Table 1.12 at end of section). A higher proportion (39%) of those in the younger age (18-24) group have had had some type of education or training intervention of this nature compared with those in the older age groups. For example, just 20% of those in the older age group (55-64) have had any type of training or education in starting a business. (Table 1.13 at end of section)

Of those that have had some training or education in starting a business about half got that knowledge while at school and half subsequently. Of those who had an enterprise education module in school, slightly more than half participated on a voluntary basis.

⁶ Global Entrepreneurship Monitor 2008 Executive Report, Niels Bosma, Zoltan Acs, Erkki Autio, Alicia Coduras and Jonathan Levie, January 2009, available on www.gemconsortium.org. Other countries noted as having particularly steep declines in perception of short term entrepreneurial opportunities were Iceland, Latvia and Hungary.





(The positive effects are more striking on those who opted for courses of this nature compared to those that were obliged to take them).

The majority of entrepreneurs, however, have not received any education or training related to starting a business. In 2008 just one in three *early stage entrepreneurs* (37%) and *established entrepreneurs* (38%) in Ireland said that they had received some training in relation to starting a business. The great majority of these did not receive this training at school.

TABLE 1.3: THE IMPACT OF ENTREPRENEURIAL TRAINING IN IRELAND

	Has skills, knowledge and experience to start a business	Expects to start a business in the next three years	Currently active as a nascent or new firm entrepreneur
Adults with training or education in entrepreneurship	68%	20%	14%
Adults with no training or education in entrepreneurship	40%	6.5%	5.5%

1.6 FEAR OF FAILURE AS AN INHIBITOR

Fear of failure as an inhibitor to entrepreneurial activity affects 38% of the Irish adult population. This is broadly similar to the rate in 2007 (37%). The rate is creeping up in participating countries across the EU and OECD. In 2008, the rate at which fear of failure was reported as an inhibitor to entrepreneurial activity among the adult population across participating countries averaged 40% and 38% respectively, compared to 36% and 35% in 2007. Even in the US, where fear of failure remains consistently among the lowest of the developed countries, an increase in the rate could be observed in 2008 (28%) compared with 2007 (23%). (Table 1.10 at end of section)

1.7 SERIAL ENTREPRENEURS

More than one in four *early stage entrepreneurs* in Ireland (27%) have previously set up a new business. These are referred to as *serial entrepreneurs*. Ireland is similar in this regard to other EU and OECD countries (24% and 27% respectively). Interestingly, the number of *serial entrepreneurs* among the population of *early stage entrepreneurs* in the United States is much higher (35%). (Table 1.14 at end of section)

1.8 EXITS BY ENTREPRENEURS

While the rate of exit by owner managers from their businesses was higher in 2008 (3.6%) than in 2007 (2.7%), the business continued (1.8%) in exactly half the instances in which the entrepreneurs exited their businesses in the twelve months prior to the GEM survey in June 2008. (Table 1.15 at end of section) There was a similar rate (1.8%) in the instance of the business being discontinued after the owner manager exited the business in 2007 and 2008. (Table 1.4) The rate of exit of businesses that were discontinued (1.8%) is higher than the EU average (1.3%).

TABLE 1.4: EXITS BY ENTREPRENEURS IN IRELAND

	2007 Percentage of all adults	2008 Percentage of all adults
Owner manager exited and business not continued	1.9%	1.8%
Owner manager exited and business was continued	0.8%	1.8%
Total rate of exit by owner managers	2.7%	3.6%

In instances where the businesses closed after the entrepreneur was no longer involved, the main reason for exit in 2008 related to the entrepreneur finding another job or business opportunity (22%), the business not being profitable (21%) or more general reasons of a personal nature (18%). (Table 1.16 at end of section) The most noticeable difference in 2008 was the significant increase in the percentage of owner managers quitting their businesses in order to pursue employment or another business opportunity. This was just 5% in 2007. In neither year did difficulties in getting finance feature in any significant way, as the reason behind the business closure. Just 2% cited this reason in 2008 and 7% in 2007.

1.9 WHO IS THE TYPICAL ENTREPRENEUR?

A male

The typical entrepreneur in Ireland, as in every other country, tends to be male. In 2008, the proportion of men who were *early stage entrepreneurs* (11.2%) increased on the 2007 level (10.6%) while the proportion of women who were *early stage entrepreneurs* in 2008 (4.0%) was less than in 2007 (5.6%). As a result the gender divide widened with men almost three times more likely than women to be



early stage entrepreneurs. The proportion of men who are owner managers of longer established businesses (12.7%) remained at the 2007 levels as did the proportion of longer established women entrepreneurs (5.4%). (See Section 3 for a more detailed discussion of men and women entrepreneurs).

Aged between mid twenties and mid forties

While there was an increase in 2008 in the proportion of those in the 18 to 24 age group who are *early stage entrepreneurs* (6.4%), the greatest propensity to start a new firm continues to be among the 35-44 age group (9.8%) with a significant proportion of those in the 25-34 (8.5%) and 44-54 (8.2%) age groups also active as *early stage entrepreneurs*. (Table 1.5)

Unlike the youngest age group there was a decline in the proportion of entrepreneurs among these three age groups compared to 2007. The over 55s continue to have the lowest propensity to start new firms, with just 3.5% of those in that age group actively involved in a new start-up, though as highlighted below, many are active as *established entrepreneurs*. The 'bell shaped' curve, representative of the level of activity relative to age, is typical across the EU and OECD, but the highest proportion of entrepreneurs across these countries is among those aged 25-34 (9.4% and 9.9% respectively). (Table 1.17 at end of section)

TABLE 1.5: EARLY STAGE ENTREPRENEURIAL ACTIVITY BY AGE IN IRELAND

Age Groups	Early stage entrepreneurial activity as percentage of all adults in this age group
18 to 24 years	6.4%
25 to 34 years	8.5%
35 to 44 years	9.8%
45 to 54 years	8.2%
55 to 64 years	3.5%

Ireland continues to have a high proportion of *established entrepreneurs* among its population (9.0%). Not surprisingly owner managers of longer established businesses tend to be older. Over 15% of those aged 55-64 are owner manager of businesses that are more than three and a half years old. A very high proportion of those aged over 55 in Ireland are *established entrepreneurs* relative to other countries. (Table 1.18 at end of section)

Comes from across all education attainment levels

Neither high nor low levels of education act as a barrier to entrepreneurial activity. Just over 8% of those with the lowest level of education, (primary schooling only or with uncompleted secondary schooling), with third level education, or with post graduate qualification are *early stage entrepreneurs*. In contrast, only 3.9% of those who have finished their education with their completion of secondary school are entrepreneurially active. (Table 1.6)

TABLE 1.6: EARLY STAGE ENTREPRENEURIAL ACTIVITY BY EDUCATION IN IRELAND

Highest educational attainment level	Early stage entrepreneurial activity
	Percentage of all adults in each education category
Primary and/or some secondary	8.5%
Secondary (Leaving Cert or equivalent)	3.9%
Third Level (degree, diploma or certificate)	8.1%
Postgraduate	8.3%

Across the EU and OECD the proportion of individuals active as *early stage entrepreneurs* tends to increase as educational attainment levels increase. The US, however, has a very high proportion of those with low levels of education active as *early stage entrepreneurs* (13.3%). (Table 1.19 at end of section)

For the first time in Ireland there was a significant rise in 2008 in the proportion of *early stage entrepreneurs* among those with relatively little education (8.5%). Previously there was a very low level of new entrepreneurial activity among this age group (4.4% in 2007).

Among longer *established entrepreneurs*, however, a higher proportion of adults with low educational attainment levels are owner managers (13.2%) than is the case for all other groups.⁷ This is also true in Greece. This concentration of longer established owner managers among those with the lowest levels of education, however, is not typical across the EU or OECD. (Table 1.20 at end of section)

Tends to be from a well off household

Typical *early stage* and *established entrepreneurs* tend to be from households

⁷ There is also a high proportion of established owner managers in Ireland among those with third level primary degrees, diplomas or certificates (10.2%).



with above average incomes. This is also the case across the EU and OECD. (Tables 1.21 and 1.22 at end of section)

Has a distinctive personal context

The personal context of *early stage entrepreneurs* differs from others in that it is marked to a greater extent by their knowing another entrepreneur (69% compared to 35% reported among those who are not *early stage entrepreneurs* at present), their having confidence in their ability to successfully start and run a business (86% compared with 45%) and by their being less inhibited by failure (27% compared to 39%).

Is responding to an opportunity

There is a significant change in Ireland since 2007, when virtually all entrepreneurs were responding to an opportunity (94%). The proportion of necessity entrepreneurs has increased from 6% to 19% over the year. The typical entrepreneur is responding in a positive manner to a perceived opportunity (81%) rather than out of belief that there are no better alternatives available (19%). This is true to the same general extent across the EU and OECD, as it is in Ireland. In the Netherlands, Belgium and the Nordic countries, which have very well developed social welfare systems, this is particularly the case with 90% or more of *early stage entrepreneurs* choosing entrepreneurship as a positive choice. (Table 1.23 at end of section)

Is driven by a desire for independence

In Ireland *early stage entrepreneurs* most frequently cite the desire for independence as their primary motive (35%). Increasing income as a primary motive for entrepreneurship is less prevalent among Irish *early stage entrepreneurs* (15%) than is the case in any other country across the EU (average 26%) or OECD (average 30%). A financial motive is higher again among *early stage entrepreneurs* in the United States (36%). (Table 1.24 at end of section)

1.10 ETHNIC ENTREPRENEURS

For the first time the GEM survey in Ireland enquired as to the country of birth of identified entrepreneurs, given the generally held belief that those born outside the country would be more entrepreneurial. This in fact is the case. There are more *early stage entrepreneurs* among those who were not born in Ireland (9.1%) than there are among those who were born in Ireland (7.3%). The difference is particularly noticeable among those who have started new businesses in

the recent past (5.5% and 4.1% respectively), as the rates among *nascent entrepreneurs* are broadly similar (3.6% and 3.3%).

It should be noted, however, that the majority of those newly arrived into Ireland are in the age group (mid twenties to mid forties) in which individuals are most active as entrepreneurs. This may have more influence on their being entrepreneurs than their immigrant status.

1.11 IMPACT OF OVERSEAS EXPERIENCE

Those that have lived outside Ireland for more than one year (whether they were born in Ireland or not) are considerably more involved in *early stage entrepreneurship*, as *nascent* and *new firm entrepreneurs* (10.5%), than are those who have not lived in any other country. Those who came to Ireland from another country in the last ten years are more involved in early stage entrepreneurial activity (12.7%) than are those who came to Ireland before 1999 (8.9%). The latter group are to be found to a greater extent among the cohort of *established entrepreneurs* (13.2%). In each of these instances those who lived out of the country for a time are considerably more entrepreneurial than those who did not venture forth.

1.12 FINANCE NEEDED

The great majority of *early stage entrepreneurs* expect to need relatively small amounts of money to start their new businesses and expect to be able to source much of the initial investment from their own funds. One in four *early stage entrepreneurs*, however, anticipates needing over €100,000 initial investment in their business and their requirement for additional funding over and above what they can contribute from their own resources is fairly significant. (Table 1.7)

Informal investors are a very important means for *early stage entrepreneurs* to meet the financing needs of their new venture. Often drawn from family and friends, they make "patient" money available at little or no cost to the fledgling entrepreneur. The percentage of informal investors among the adult population in Ireland in 2008 was 2.8%. This rate of informal investment is in or about the EU average (2.5%), but below the OECD average (3.5%) and considerably below the rate pertaining in the US (5.2%). (Table 1.25 at end of section) Moreover, the rate of informal investors has fallen slightly in Ireland since 2007 (3.3%), when an increase in their prevalence was welcomed. With a



TABLE 1.7: FINANCING A NEW BUSINESS IN IRELAND

	Mean	Median	Percentage of all entrepreneurs
Anticipated finance required	€	€	
€1 to €100,000	25,000	10,000	76%
€100,000 to €1,000,000	420,000	500,000	24%
All (€1 to €1,000,000)	120,000	26,500	100%
Anticipated own investment			
€1 to €100,000	18,000	5,400	88%
€100,000 to €1,000,000	300,000	300,000	12%
All (€1 to €1,000,000)	56,000	6,000	100%

relatively low rate of informal investment activity, given the relatively high rate of early stage entrepreneurial activity in the country, access to debt and equity finance, particularly at the very early stages, continues to be cited most frequently by members of GEM's key informant panel, when commenting on weaknesses within the Irish environment for entrepreneurship.

1.13 SECTORAL FOCUS

In 2008 no one sector dominated in terms of the focus for Irish *early stage entrepreneurs*, as had been the case in 2007⁸. While the consumer sector continued to be the most popular sector (37%) among *early stage entrepreneurs* again in 2008, the focus on this sector was considerably reduced compared to 2007 (44%). The split in the focus of Irish *early stage entrepreneurs* between the extractive (8%), transformative (25%), business services (30%) and consumer sectors (37%) is broadly similar to the average across the EU and OECD. (Table 1.26 at end of section) *Established entrepreneurs* have a greater focus (32%) on the transformative sector which includes construction, manufacturing, transport, wholesale and utilities. (Table 1.27 at end of section)

1.14 EXPORT ORIENTATION

Two in every three *early stage entrepreneurs* (64%) are not exclusively focused on the Irish market and expect to have some customers outside the country. This is a relatively high export orientation among Irish *early stage entrepreneurs* compared to their counterparts in the UK (49%) and across the EU (56%) and OECD (54%). (Table 1.28 at end of section) *Established entrepreneurs* in Ireland, however, are more focused on the Irish market (51%) and much fewer expect to have high export orientation, than is the case with *early stage entrepreneurs*. In this regard, *established entrepreneurs* are typical of UK *established*

entrepreneurs (51%) and more focused on their domestic market than is the norm among *established entrepreneurs* in the EU (45%) and OECD (48%). (Table 1.29 at end of section)

1.15 DEGREE OF INNOVATION

Innovation and the introduction of new product-market combinations is an important means by which entrepreneurial firms contribute to economic growth. In common with new entrepreneurs across the EU and OECD, most *early stage entrepreneurs* in Ireland are not highly innovative.

The evidence suggests, however, that compared to other developed countries a higher proportion of Irish *early stage entrepreneurs* are innovative:

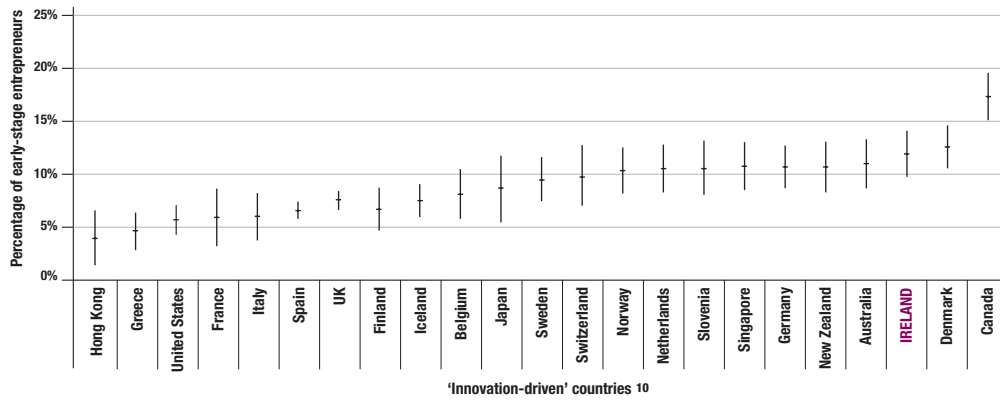
- They are employing technology that is relatively new compared to the norm across the EU or OECD countries (Table 1.30 at end of section).
- A sizeable proportion (49%) is providing products and services that incorporate a degree of product/service novelty (Table 1.31 at end of section).
- More Irish entrepreneurs choose to position the business where they will have few but not many competitors (58%) (Table 1.32 at end of section).

Assessing the degree of market impact (by combining measures related to the newness of the technology, the newness of the product/ service to customers, and the extent of competition measures) suggests that the degree of market impact is much more pronounced among *early stage entrepreneurs* than it is among *established entrepreneurs*. In Ireland, for example, the proportion of *established entrepreneurs* (82%) who expect that their business will have no market impact is among the highest across the EU and OECD. (Table 1.33 at end of section)

⁸ The four aggregate sectors used in GEM are Extractive sectors, Transformative sectors, Business sectors (where a business is the primary customer) and Consumer sectors (where the consumer is the primary customer).



FIGURE 1: HIGH TECH EARLY STAGE ENTREPRENEURS (2002-2008)⁹



Source: Global Entrepreneurship Monitor Executive Report 2008

1.16 HIGH TECH ENTREPRENEURS

Combining GEM surveys for the period 2002 to 2008 and classifying entrepreneurs in terms of technology sectors suggests that there is a relatively high proportion of *early stage entrepreneurs* in Ireland who are active in technology sectors.¹¹ (Figure 1)

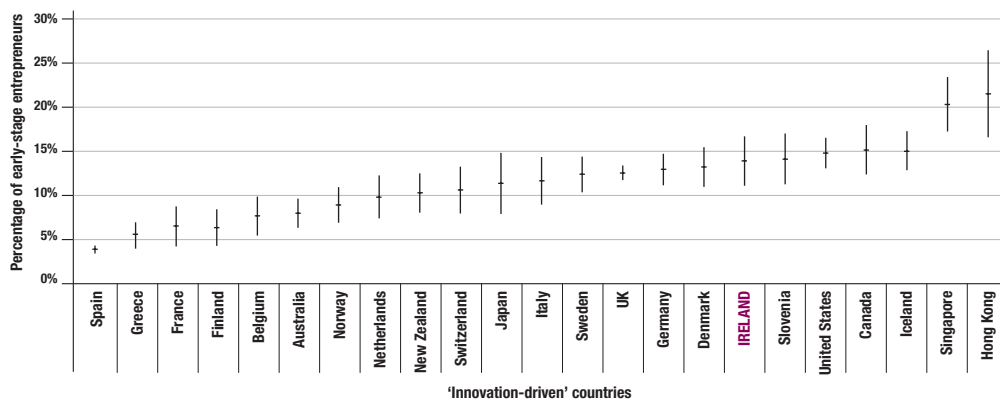
1.17 EXPECTED EMPLOYMENT CREATION

With regard to their employment aspirations, Irish entrepreneurs are well ahead of most of their EU and OECD counterparts. (Table 1.34 at end of section) Most *early stage entrepreneurs* in Ireland expect to become employers

(82%) and a significant proportion are *high growth expectation entrepreneurs*, that is they expect to have twenty or more people employed within five years (23%). *Established entrepreneurs* in Ireland are also bullish with regard to their expectation that they would be expanding in the medium term. (Table 1.35 at end of section)¹²

Combining GEM datasets for the period 2002-2008, Ireland's *early stage entrepreneurs* are in the upper third among the more developed countries in terms of their high growth expectation (Figure 2).

FIGURE 2: HIGH GROWTH EXPECTATION EARLY STAGE ENTREPRENEURS (2002-2008)



Source: Global Entrepreneurship Monitor Executive Report 2008

⁹ Permission to reproduce a section of the GEM 2008 Global Report, which appears here, has been kindly granted by the copyright holders. GEM is an international consortium and this report has been produced from data collected in, and received from, 43 countries in 2008. Our thanks go to the authors, national teams, researchers, funding bodies and other contributors who have made this possible.

¹⁰ For the purposes of analysis in the GEM Global report, Ireland is grouped with other countries that are described as being "innovation driven". Innovation driven economies are contrasted with efficiency driven economies and with factor driven economies. See pages 10-11 of the Global Entrepreneurship Monitor Executive Report 2008 www.gemconsortium.org for a more detailed explanation.

¹¹ The share of early stage entrepreneurs in Ireland who are active in technology sectors is very high and the third highest across all GEM countries. The definition of technology is the OECD definition (2003) which includes medium high and high technology services in Manufacturing and Services

¹² It should be noted that these growth aspirations were expressed in the summer of 2008.



TABLE 1.8: ENTREPRENEURIAL ACTIVITY: OECD AND EU

	Nascent entrepreneurs Percentage in adult population	New Firm entrepreneurs Percentage in adult population	Early stage entrepreneurs Percentage in adult population	Early stage entrepreneurs OECD Ranking (of 19)	Early stage entrepreneurs EU-15 ranking (of 11)	Established entrepreneurs Percentage in adult population
Belgium ^{1 2 3}	2.0	0.9	2.9	19th	11th	2.6
Denmark ^{1 2 3}	2.3	2.3	4.4	17th	9th	4.4
Finland ^{1 2 3}	4.1	3.3	7.3	8th	3rd	9.2
France ^{1 2 3}	3.8	1.9	5.6	13th	6th	2.8
Germany ^{1 2 3}	2.4	1.5	3.8	18th	10th	4.0
Greece ^{1 2 3}	5.3	4.6	9.9	5th	1st	12.6
Hungary ^{1 3}	3.8	2.8	6.6	10th		5.3
Iceland ¹	6.5	3.6	10.1	3rd		7.1
Ireland^{1 2 3}	3.3	4.3	7.6	7th	2nd	9.0
Italy ^{1 2 3}	2.0	2.7	4.6	16th	8th	6.5
Japan ¹	3.2	2.3	5.4	14th		7.9
Korea- South ¹	3.5	6.5	10.0	12.8	4th	
Latvia ³	3.9	2.8	6.5			3.0
Mexico ¹	9.3	4.0	13.1	1st		4.9
Netherlands ^{1 2 3}	2.1	3.2	5.2	15th	7th	7.2
Norway ¹	5.0	4.0	8.7	6th		7.7
Romania ³	2.5	1.6	4.0			2.1
Slovenia ³	4.1	2.4	6.4			5.6
Spain ^{1 2 3}	3.3	3.9	7.0	9th	4th	9.1
Turkey ¹	3.2	3.0	6.0	11th		4.8
UK ^{1 2 3}	3.1	2.9	5.9	12th	5th	6.0
US ¹	5.9	5.0	10.8	2nd		8.3
EU-15 average	3.1	2.9	5.8			6.7
EU-27 average	3.2	2.7	5.9			6.0
OECD average	3.9	3.3	7.1			7.0

TABLE 1.9: ENTREPRENEURIAL CULTURE OF POPULATION: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Entrepreneurship is a good career choice Percentage in adult population	Success at entrepreneurship has high status Percentage in adult population	Supportive media coverage of entrepreneurs Percentage in adult population
Belgium ^{1 2 3}	2.9	47	46	38
Denmark ^{1 2 3}	4.4	57	76	32
Finland ^{1 2 3}	7.3	46	90	71
France ^{1 2 3}	5.6	63	70	48
Germany ^{1 2 3}	3.8	56	80	50
Greece ^{1 2 3}	9.9	76	77	55
Hungary ^{1 3}	6.6	48	61	19
Iceland ¹	10.1	61	71	81
Ireland^{1 2 3}	7.6	55	81	65
Italy ^{1 2 3}	4.6	68	64	40
Japan ¹	5.4	26	56	59
Korea- South ¹	10.0	69	69	67
Latvia ³	6.5	75	77	71
Mexico ¹	13.1	66	57	52
Netherlands ^{1 2 3}	5.2	85	69	61
Norway ¹	8.7	61	68	71
Romania ³	4.0	n/a	69	56
Slovenia ³	6.4	58	78	67
Spain ^{1 2 3}	7.0	68	58	43
Turkey ¹	6.0	72	80	63
UK ^{1 2 3}	5.9	52	74	54
US ¹	10.8	63	74	73
EU-15 average	5.8	61	71	51
EU-27 average	5.9	61	71	51
OECD average	7.1	60	69	55

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27


TABLE 1.10: PERSONAL CONTEXT OF POPULATION: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Know a recent entrepreneur Percentage in adult population	Opportunities in local area Percentage in adult population	Skills & knowledge to start-up Percentage in adult population	Fear of failure prevent start-up Percentage in adult population
Belgium ^{1 2 3}	2.9	29	14	36	26
Denmark ^{1 2 3}	4.4	44	62	32	43
Finland ^{1 2 3}	7.3	50	50	39	30
France ^{1 2 3}	5.6	33	22	25	50
Germany ^{1 2 3}	3.8	31	24	35	49
Greece ^{1 2 3}	9.9	39	28	55	57
Hungary ^{1 3}	6.6	30	19	48	42
Iceland ¹	10.1	64	37	52	35
Ireland^{1 2 3}	7.6	37	27	48	38
Italy ^{1 2 3}	4.6	32	30	40	49
Japan ¹	5.4	23	8	13	41
Korea- South ¹	10.0	38	15	30	33
Latvia ³	6.5	36	22	29	36
Mexico ¹	13.1	53	47	59	30
Netherlands ^{1 2 3}	5.2	35	39	38	26
Norway ¹	8.7	39	39	41	23
Romania ³	4.0	38	26	24	41
Slovenia ³	6.4	54	45	51	31
Spain ^{1 2 3}	7.0	38	25	47	52
Turkey ¹	6.0	31	36	49	35
UK ^{1 2 3}	5.9	26	30	50	36
US ¹	10.8	37	37	56	28
EU-15 average	5.8	36	32	40	41
EU-27 average	5.9	37	31	40	40
OECD average	7.1	37	31	42	38

TABLE 1.11: INTENTION TO START A BUSINESS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Expecting to start a business within three years Percentage in adult population
Belgium ^{1 2 3}	2.9	7.8
Denmark ^{1 2 3}	4.4	7.4
Finland ^{1 2 3}	7.3	7.9
France ^{1 2 3}	5.6	15.2
Germany ^{1 2 3}	3.8	6.2
Greece ^{1 2 3}	9.9	16.6
Hungary ^{1 3}	6.6	6.6
Iceland ¹	10.1	17.2
Ireland^{1 2 3}	7.6	10.0
Italy ^{1 2 3}	4.6	9.2
Japan ¹	5.4	7.9
Korea- South ¹	10.0	22.4
Latvia ³	6.5	9.9
Mexico ¹	13.1	30.4
Netherlands ^{1 2 3}	5.2	5.3
Norway ¹	8.7	10.7
Romania ³	4.0	11.5
Slovenia ³	6.4	10.1
Spain ^{1 2 3}	7.0	7.7
Turkey ¹	6.0	23.8
UK ^{1 2 3}	5.9	7.1
US ¹	10.8	12.4
EU-15 average	5.8	9.1
EU-27 average	5.9	9.2
OECD average	7.1	12.2

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

TABLE 1.12: TRAINING AND EDUCATION IN STARTING A BUSINESS: OECD AND EU

	Early stage entrepreneurs	Any types of training and education in starting a business	Training/education was at school	Training/education was after secondary school education
	Percentage in adult population	Percentage of all adults	Percentage of all adults	Percentage of all adults
Belgium ^{1 2 3}	2.9	33	25	18
Denmark ^{1 2 3}	4.4	22	9	14
Finland ^{1 2 3}	7.3	48	18	40
France ^{1 2 3}	5.6	18	10	12
Germany ^{1 2 3}	3.8	21	12	13
Greece ^{1 2 3}	9.9	17	6	13
Hungary ^{1 3}	6.6	24	17	10
Iceland ¹	10.1	27	12	18
Ireland^{1 2 3}	7.6	26	14	17
Italy ^{1 2 3}	4.6	17	10	9
Japan ¹	5.4	17	5	16
Korea- South ¹	10.0	14	6	9
Latvia ³	6.5	28	14	19
Mexico ¹	13.1	15	9	10
Netherlands ^{1 2 3}	5.2	n/a	n/a	n/a
Norway ¹	8.7	n/a	n/a	n/a
Romania ³	4.0	8	5	5
Slovenia ³	6.4	36	24	23
Spain ^{1 2 3}	7.0	22	12	15
Turkey ¹	6.0	6	3	4
UK ^{1 2 3}	5.9	19	9	14
US ¹	10.8	n/a	n/a	n/a
EU-15 average	5.8	24	13	17
EU-27 average	5.9	24	13	16
OECD average	7.1	22	11	15

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27




TABLE 1.13: TRAINING AND EDUCATION IN STARTING A BUSINESS BY AGE: OECD AND EU

	Early stage entrepreneurs	Any types of training and education in starting a business	Adults aged 18-24 with any type of training and education in starting a business	Adults aged 25-34 with any type of training and education in starting a business	Adults aged 35-44 with any type of training and education in starting a business	Adults aged 45-54 with any type of training and education in starting a business	Adults aged 55-64 with any type of training and education in starting a business
	Percentage in adult population	Percentage in adult population	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category
Belgium ^{1,2,3}	2.9	33	44	45	39	25	19
Denmark ^{1,2,3}	4.4	22	39	28	20	18	14
Finland ^{1,2,3}	7.3	48	63	60	50	42	33
France ^{1,2,3}	5.6	18	23	19	20	17	12
Germany ^{1,2,3}	3.8	21	21	25	22	18	19
Greece ^{1,2,3}	9.9	17	17	18	16	18	16
Hungary ^{1,3}	6.6	24	41	32	20	19	14
Iceland ¹	10.1	27	27	29	30	25	21
Ireland^{1,2,3}	7.6	26	39	23	29	22	20
Italy ^{1,2,3}	4.6	17	27	24	17	12	9
Japan ¹	5.4	17	14	12	18	19	23
Korea- South ¹	10.0	14	23	16	11	10	9
Latvia ³	6.5	28	48	45	25	16	6
Mexico ¹	13.1	15	20	15	15	17	7
Netherlands ^{1,2,3}	5.2	n/a	n/a	n/a	n/a	n/a	n/a
Norway ¹	8.7	n/a	n/a	n/a	n/a	n/a	n/a
Romania ³	4.0	8	11	9	8	8	5
Slovenia ³	6.4	36	55	49	32	27	22
Spain ^{1,2,3}	7.0	22	27	25	22	19	19
Turkey ¹	6.0	6	9	7	6	5	4
UK ^{1,2,3}	5.9	19	29	24	18	15	15
US ¹	10.8	n/a	n/a	n/a	n/a	n/a	n/a
EU-15 average	5.8	24	33	29	25	21	17
EU-27 average	5.9	24	35	30	24	20	16
OECD average	7.1	22	29	25	22	19	16

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27


TABLE 1.14: SERIAL ENTREPRENEURS:¹³ OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Nascent entrepreneurs Percentage of nascent entrepreneurs with prior entrepreneurial experience	New firm entrepreneurs Percentage of new firm entrepreneurs with prior entrepreneurial experience	Early stage entrepreneurs Percentage of early stage entrepreneurs with prior entrepreneurial experience	Established entrepreneurs Percentage of established entrepreneurs with prior entrepreneurial experience
Belgium ^{1 2 3}	2.9	25	30	25	25
Denmark ^{1 2 3}	4.4	30	20	25	30
Finland ^{1 2 3}	7.3	26	27	26	17
France ^{1 2 3}	5.6	28	36	31	17
Germany ^{1 2 3}	3.8	29	16	25	13
Greece ^{1 2 3}	9.9	33	21	27	23
Hungary ^{1 3}	6.6	18	20	19	11
Iceland ¹	10.1	35	29	32	32
Ireland^{1 2 3}	7.6	27	28	27	20
Italy ^{1 2 3}	4.6	19	13	16	13
Japan ¹	5.4	26	23	25	16
Korea- South ¹	10.0	33	35	34	35
Latvia ³	6.5	25	22	24	19
Mexico ¹	13.1	22	26	23	41
Netherlands ^{1 2 3}	5.2	20	24	22	15
Norway ¹	8.7	36	21	30	20
Romania ³	4.0	38	33	34	12
Slovenia ³	6.4	14	14	14	14
Spain ^{1 2 3}	7.0	18	21	20	14
Turkey ¹	6.0	44	31	38	29
UK ^{1 2 3}	5.9	28	26	27	17
US ¹	10.8	36	34	35	28
EU-15 average	5.8	26	24	25	18
EU-27 average	5.9	25	23	24	17
OECD average	7.1	28	25	27	22

TABLE 1.15: ENTREPRENEURIAL EXITS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Entrepreneurs exited in last 12 months AND business continued Percentage in adult population	Entrepreneur exited in last 12 months AND business discontinued Percentage in adult population
Belgium ^{1 2 3}	2.9	0.4	1.2
Denmark ^{1 2 3}	4.4	0.8	1.1
Finland ^{1 2 3}	7.3	0.9	1.1
France ^{1 2 3}	5.6	0.5	1.7
Germany ^{1 2 3}	3.8	0.8	1.0
Greece ^{1 2 3}	9.9	1.1	2.3
Hungary ^{1 3}	6.6	0.2	0.9
Iceland ¹	10.1	1.0	2.4
Ireland^{1 2 3}	7.6	1.8	1.8
Italy ^{1 2 3}	4.6	0.6	1.2
Japan ¹	5.4	0.4	0.6
Korea- South ¹	10.0	2.1	2.6
Latvia ³	6.5	0.6	1.1
Mexico ¹	13.1	2.5	11.1
Netherlands ^{1 2 3}	5.2	0.6	1.0
Norway ¹	8.7	0.7	2.7
Romania ³	4.0	0.0	2.2
Slovenia ³	6.4	0.1	1.2
Spain ^{1 2 3}	7.0	0.3	1.0
Turkey ¹	6.0	1.1	2.9
UK ^{1 2 3}	5.9	0.8	1.3
US ¹	10.8	1.8	2.7
EU-15 average	5.8	0.8	1.3
EU-27 average	5.9	0.6	1.3
OECD average	7.1	1.0	2.1

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

¹³ That is they have previously started a business


TABLE 1.16: REASONS FOR EXITS: OECD AND EU

	Entrepreneur exited in last 12 months and business discontinued	Opportunity to sell business		Business was not profitable		Problems getting finance		Found another job or business opportunity		Exit was planned in advance		Retirement		Reason of personal nature		Consequence of a single incident		Other	
		Percentage in adult population	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	Percentage of all entrepreneurs exiting	
Belgium ^{1,2,3}	1.2	13	24	4	8	0	8	24	19	0	0	0	0	0	0	0	0	0	
Denmark ^{2,3}	1.1	12	17	2	31	11	0	27	0	0	0	0	0	0	0	0	0	0	
Finland ^{2,3}	1.1	6	13	4	17	8	25	27	0	0	0	0	0	0	0	0	0	0	
France ^{2,3}	1.7	9	18	21	7	3	23	11	9	0	0	0	0	0	0	0	0	0	
Germany ^{1,2,3}	1.0	2	27	1	11	1	17	19	6	15	0	0	0	0	0	0	0	0	
Greece ^{2,3}	2.3	0	25	5	1	0	3	5	0	60	0	0	0	0	0	0	0	0	
Hungary ³	0.9	8	22	37	20	5	3	5	0	0	0	0	0	0	0	0	0	0	
Iceland ¹	2.4	6	22	8	26	7	0	23	9	0	0	0	0	0	0	0	0	0	
Ireland^{1,2,3}	1.8	6	21	2	22	9	8	18	0	14	0	0	0	0	0	0	0	0	
Italy ^{1,2,3}	1.2	5	41	10	6	3	8	27	0	0	0	0	0	0	0	0	0	0	
Japan ¹	0.6	0	34	33	0	0	0	17	5	10	0	0	0	0	0	0	0	0	
Korea- South ¹	2.6	3	47	10	11	6	0	15	9	0	0	0	0	0	0	0	0	0	
Latvia ³	1.1	0	36	21	14	0	0	29	0	0	0	0	0	0	0	0	0	0	
Mexico ¹	11.1	16	23	13	14	4	1	25	4	0	0	0	0	0	0	0	0	0	
Netherlands ^{1,2,3}	1.0	6	33	2	17	3	23	14	3	0	0	0	0	0	0	0	0	0	
Norway ¹	2.7	4	15	3	9	7	3	8	1	51	0	0	0	0	0	0	0	0	
Romania ³	2.2	0	51	29	0	19	0	0	0	0	0	0	0	0	0	0	0	0	
Slovenia ³	1.2	2	22	8	27	8	11	8	14	0	0	0	0	0	0	0	0	0	
Spain ^{1,2,3}	1.0	11	39	18	5	5	2	19	1	0	0	0	0	0	0	0	0	0	
Turkey ¹	2.9	2	47	9	1	4	3	29	2	1	0	0	0	0	0	0	0	0	
UK ^{1,2,3}	1.3	8	24	4	17	4	16	18	4	5	0	0	0	0	0	0	0	0	
US ¹	2.7	6	35	3	18	12	5	18	3	0	0	0	0	0	0	0	0	0	
EU-15 average	1.3	7	26	7	13	4	12	19	4	9	0	0	0	0	0	0	0	0	
EU-27 average	1.3	6	28	11	14	5	10	17	4	6	0	0	0	0	0	0	0	0	
OECD average	2.1	6	28	10	13	5	8	18	4	8	0	0	0	0	0	0	0	0	

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27


TABLE 1.17: EARLY STAGE ENTREPRENEURIAL ACTIVITY BY AGE: OECD AND EU

	Early stage entrepreneurs	Early stage entrepreneurs aged 18-24 years	Early stage entrepreneurs aged 25-34 years	Early stage entrepreneurs aged 35-44 years	Early stage entrepreneurs aged 45-54 years	Early stage entrepreneurs aged 55-64 years
	Percentage in adult population	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category
Belgium ^{1 2 3}	2.9	3.6	4.5	3.0	1.9	1.6
Denmark ^{1 2 3}	4.4	2.6	7.0	6.4	4.2	1.2
Finland ^{1 2 3}	7.3	5.6	10.3	9.8	7.2	3.8
France ^{1 2 3}	5.6	3.9	9.6	5.5	4.9	3.7
Germany ^{1 2 3}	3.8	3.0	6.9	3.3	3.0	2.8
Greece ^{1 2 3}	9.9	7.3	17.5	8.9	7.7	5.7
Hungary ^{1 3}	6.6	2.8	8.3	8.3	6.8	5.0
Iceland ¹	10.1	6.2	12.2	13.5	9.5	6.9
Ireland^{1 2 3}	7.6	6.4	8.5	9.8	8.2	3.5
Italy ^{1 2 3}	4.6	2.9	9.4	5.3	3.2	1.1
Japan ¹	5.4	3.5	6.3	5.4	5.5	5.6
Korea- South ¹	10.0	1.7	14.4	12.9	9.8	5.7
Latvia ³	6.5	8.1	13.2	6.7	3.0	1.0
Mexico ¹	13.1	7.8	14.5	17.3	13.6	10.0
Netherlands ^{1 2 3}	5.2	4.6	8.5	5.9	5.1	1.6
Norway ¹	8.7	11.9	11.7	9.7	8.2	2.8
Romania ³	4.0	2.2	7.1	4.4	3.3	1.1
Slovenia ³	6.4	4.2	11.8	7.4	5.0	2.0
Spain ^{1 2 3}	7.0	5.0	9.4	8.1	6.0	4.8
Turkey ¹	6.0	4.8	9.5	5.6	3.8	3.3
UK ^{1 2 3}	5.9	3.7	8.0	7.5	6.3	2.8
US ¹	10.8	10.2	12.3	12.5	10.3	7.8
EU-15 average	5.8	4.4	9.1	6.7	5.3	3.0
EU-27 average	5.9	4.4	9.4	6.7	5.1	2.8
OECD average	7.1	5.1	9.9	8.4	6.6	4.2

TABLE 1.18: ESTABLISHED ENTREPRENEURIAL ACTIVITY BY AGE: OECD AND EU

	Established entrepreneurs	Established entrepreneurs aged 18-24 years	Established entrepreneurs aged 25-34 years	Established entrepreneurs aged 35-44 years	Established entrepreneurs aged 45-54 years	Established entrepreneurs aged 55-64 years
	Percentage in adult population	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category	As percentage of all adults in this age category
Belgium ^{1 2 3}	2.6	0.9	0.9	3.7	4.2	2.4
Denmark ^{1 2 3}	4.4	0.3	2.1	4.5	5.4	7.7
Finland ^{1 2 3}	9.2	1.1	4.7	10.2	12.6	13.4
France ^{1 2 3}	2.8	0.7	2.3	4.2	3.4	2.6
Germany ^{1 2 3}	4.0	0.1	3.2	5.0	5.9	3.7
Greece ^{1 2 3}	12.6	3.0	6.4	14.8	20.2	15.2
Hungary ^{1 3}	5.3	1.0	2.7	6.1	6.3	9.8
Iceland ¹	7.1	0.9	3.5	8.1	12.5	10.0
Ireland^{1 2 3}	9.0	0.9	3.7	12.5	12.8	15.3
Italy ^{1 2 3}	6.5	1.1	4.1	10.1	8.7	4.5
Japan ¹	7.9	n/a	1.8	8.7	10.4	14.5
Korea- South ¹	12.8	n/a	5.1	14.6	24.0	16.6
Latvia ³	3.0	0.6	2.8	4.7	4.6	1.3
Mexico ¹	4.9	1.0	3.0	7.9	8.5	6.2
Netherlands ^{1 2 3}	7.2	n/a	6.6	9.6	9.9	6.3
Norway ¹	7.7	1.3	3.5	8.8	11.6	10.6
Romania ³	2.1	1.1	1.2	3.3	2.1	2.6
Slovenia ³	5.6	0.8	4.4	6.1	9.2	5.4
Spain ^{1 2 3}	9.1	3.5	7.5	10.2	11.5	10.3
Turkey ¹	4.8	1.5	4.6	8.2	5.4	3.4
UK ^{1 2 3}	6.0	1.7	2.5	6.9	9.0	8.6
US ¹	8.3	2.1	5.6	7.7	11.9	13.3
EU-15 average	6.7	1.3	4.0	8.3	9.4	8.2
EU-27 average	6.0	1.2	3.7	7.5	8.4	7.3
OECD average	7.0	1.3	3.9	8.5	10.2	9.2

1 Member of OECD
 2 Member of European Union - EU 15
 3 Member of European Union - EU 27


TABLE 1.19: EARLY STAGE ENTREPRENEURIAL ACTIVITY BY HIGHEST EDUCATION LEVEL: OECD AND EU

	Early stage entrepreneurs	Early stage entrepreneurs with primary and/or some secondary education as highest qualification	Early stage entrepreneurs with secondary school as highest qualification	Early stage entrepreneurs with all forms of third level education as highest qualification	Early stage entrepreneurs with postgraduate education as highest qualification
	Percentage in adult population	As percentage of all adults in this education category	As percentage of all adults in this education category	As percentage of all adults in this education category	As percentage of all adults in this education category
Belgium ^{1 2 3}	2.9	2.0	2.1	2.5	5.5
Denmark ^{1 2 3}	4.4	2.8	2.5	5.7	5.8
Finland ^{1 2 3}	7.3	5.9	8.5	4.9	8.0
France ^{1 2 3}	5.6	3.3	1.7	5.3	2.4
Germany ^{1 2 3}	3.8	1.0	0.6	2.6	0.1
Greece ^{1 2 3}	9.9	8.5	10.3	6.4	10.7
Hungary ^{1 3}	6.6	3.6	4.8	11.0	10.5
Iceland ¹	10.1	9.4	6.3	9.1	11.6
Ireland^{1 2 3}	7.6	8.5	3.9	8.1	8.3
Italy ^{1 2 3}	4.6	3.1	3.9	n/a	7.9
Japan ¹	5.4	1.5	4.1	5.4	6.8
Korea- South ¹	10.0	3.4	7.9	4.5	14.1
Latvia ³	6.5	1.3	4.4	6.3	10.9
Mexico ¹	13.1	8.2	12.3	12.9	15.2
Netherlands ^{1 2 3}	5.2	9.5	4.5	4.0	n/a
Norway ¹	8.7	9.5	9.9	n/a	7.3
Romania ³	4.0	3.4	3.0	2.1	7.0
Slovenia ³	6.4	2.0	5.3	9.2	10.6
Spain ^{1 2 3}	7.0	5.1	6.0	6.7	7.2
Turkey ¹	6.0	2.6	9.3	7.9	7.8
UK ^{1 2 3}	5.9	4.5	5.5	3.9	6.9
US ¹	10.8	13.1	7.6	10.5	11.0
EU-15 average	5.8	4.9	4.5	5.0	6.3
EU-27 average	5.9	4.3	4.5	5.6	7.3
OECD average	7.1	5.6	5.9	6.6	8.2

TABLE 1.20: ESTABLISHED ENTREPRENEURIAL ACTIVITY BY HIGHEST EDUCATION LEVEL: OECD AND EU

	Established entrepreneurs	Established entrepreneurs with primary and/or some secondary education as highest qualification	Established entrepreneurs with secondary school as highest qualification	Established entrepreneurs with all forms of third level education as highest qualification	Established entrepreneurs with postgraduate education as highest qualification
	Percentage in adult population	As percentage of all adults in this education category	As percentage of all adults in this education category	As percentage of all adults in this education category	As percentage of all adults in this education category
Belgium ^{1 2 3}	2.6	1.1	1.5	3.2	3.1
Denmark ^{1 2 3}	4.4	3.4	4.3	2.2	4.8
Finland ^{1 2 3}	9.2	9.4	8.9	12.5	6.8
France ^{1 2 3}	2.8	1.7	0.6	3.2	0.7
Germany ^{1 2 3}	4.0	0.6	0.2	3.0	0.2
Greece ^{1 2 3}	12.6	16.6	12.8	8.3	11.0
Hungary ^{1 3}	5.3	2.5	4.3	6.0	10.5
Iceland ¹	7.1	8.7	7.3	1.5	7.1
Ireland^{1 2 3}	9.0	13.2	7.0	10.2	5.7
Italy ^{1 2 3}	6.5	4.7	6.9	n/a	7.4
Japan ¹	7.9	8.3	6.1	7.5	9.3
Korea- South ¹	12.8	12.8	15.1	3.2	12.5
Latvia ³	3.0	1.3	2.0	3.6	3.8
Mexico ¹	4.9	4.3	5.9	3.6	4.0
Netherlands ^{1 2 3}	7.2	7.4	7.0	7.6	4.4
Norway ¹	7.7	7.4	7.8	n/a	7.6
Romania ³	2.1	1.5	2.1	3.2	1.7
Slovenia ³	5.6	4.2	5.2	8.1	6.3
Spain ^{1 2 3}	9.1	9.0	7.2	7.9	7.3
Turkey ¹	4.8	3.0	6.1	6.5	5.2
UK ^{1 2 3}	6.0	6.7	4.9	6.5	6.7
US ¹	8.3	6.9	4.9	8.7	9.8
EU-15 average	6.7	6.7	5.6	6.5	5.3
EU-27 average	6.0	5.6	5.0	6.1	5.4
OECD average	7.0	6.7	6.2	6.0	6.5

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

Note: In some countries categories are aggregated


TABLE 1.21: EARLY STAGE ENTREPRENEURIAL ACTIVITY BY HOUSEHOLD INCOME: OECD AND EU

	Early Stage entrepreneurs	Household income in lowest third of population	Household income in middle third of population	Household income in highest third of population
	Percentage in adult population	Percentage of all early stage entrepreneurs	Percentage of all early stage entrepreneurs	Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	25	22	53
Denmark ^{1 2 3}	4.4	19	26	55
Finland ^{1 2 3}	7.3	32	32	36
France ^{1 2 3}	5.6	35	26	39
Germany ^{1 2 3}	3.8	30	26	44
Greece ^{1 2 3}	9.9	32	25	43
Hungary ^{1 3}	6.6	21	38	41
Iceland ¹	10.1	28	30	42
Ireland^{1 2 3}	7.6	22	34	44
Italy ^{1 2 3}	4.6	35	34	31
Japan ¹	5.4	34	29	37
Korea- South ¹	10.0	25	29	46
Latvia ³	6.5	13	19	68
Mexico ¹	13.1	21	45	34
Netherlands ^{1 2 3}	5.2	26	33	41
Norway ¹	8.7	28	30	42
Romania ³	4.0	13	20	67
Slovenia ³	6.4	14	31	55
Spain ^{1 2 3}	7.0	17	56	27
Turkey ¹	6.0	21	31	48
UK ^{1 2 3}	5.9	18	40	42
US ¹	10.8	28	37	35
EU-15 average	5.8	27	32	41
EU-27 average	5.9	24	31	45
OECD average	7.1	26	33	41

TABLE 1.22: ESTABLISHED ENTREPRENEURIAL ACTIVITY BY HOUSEHOLD INCOME: OECD AND EU

	Established entrepreneurs	Household income in lowest third of population	Household income in middle third of population	Household income in highest third of population
	Percentage in adult population	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs
Belgium ^{1 2 3}	2.6	10	12	78
Denmark ^{1 2 3}	4.4	10	20	70
Finland ^{1 2 3}	9.2	21	29	50
France ^{1 2 3}	2.8	13	46	41
Germany ^{1 2 3}	4.0	26	26	48
Greece ^{1 2 3}	12.6	27	39	34
Hungary ^{1 3}	5.3	16	10	74
Iceland ¹	7.1	25	28	47
Ireland^{1 2 3}	9.0	25	28	47
Italy ^{1 2 3}	6.5	14	45	41
Japan ¹	7.9	34	39	27
Korea- South ¹	12.8	28	35	37
Latvia ³	3.0	15	31	54
Mexico ¹	4.9	14	47	39
Netherlands ^{1 2 3}	7.2	13	28	59
Norway ¹	7.7	12	39	49
Romania ³	2.1	16	41	43
Slovenia ³	5.6	13	33	54
Spain ^{1 2 3}	9.1	23	36	41
Turkey ¹	4.8	12	36	52
UK ^{1 2 3}	6.0	14	37	49
US ¹	8.3	17	33	50
EU-15 average	6.7	21	33	46
EU-27 average	6.0	20	32	48
OECD average	7.0	21	33	46

1 Member of OECD

2 Member of European Union - EU 15

3 Member of European Union - EU 27


TABLE 1.23: OPPORTUNITY AND NECESSITY MOTIVES FOR EARLY STAGE ENTREPRENEURIAL ACTIVITY: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Opportunity entrepreneurs Percentage of all early stage entrepreneurs	Necessity entrepreneurs Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	90	10
Denmark ^{1 2 3}	4.4	93	7
Finland ^{1 2 3}	7.3	87	13
France ^{1 2 3}	5.6	89	11
Germany ^{1 2 3}	3.8	73	27
Greece ^{1 2 3}	9.9	69	31
Hungary ^{1 3}	6.6	70	30
Iceland ¹	10.1	94	6
Ireland^{1 2 3}	7.6	81	19
Italy ^{1 2 3}	4.6	85	15
Japan ¹	5.4	76	24
Korea- South ¹	10.0	59	41
Latvia ³	6.5	78	22
Mexico ¹	13.1	85	15
Netherlands ^{1 2 3}	5.2	90	10
Norway ¹	8.7	93	7
Romania ³	4.0	61	39
Slovenia ³	6.4	88	12
Spain ^{1 2 3}	7.0	84	16
Turkey ¹	6.0	60	40
UK ^{1 2 3}	5.9	85	15
US ¹	10.8	87	13
EU-15 average	5.8	83	17
EU-27 average	5.9	81	19
OECD average	7.1	81	19

TABLE 1.24 MOTIVES OF EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Increasing income as primary motive Percentage of all early stage entrepreneurs	Being independent as primary motive Percentage of all early stage entrepreneurs	Mixed motivations Percentage of all early stage entrepreneurs	Non-opportunity ¹⁴ Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	25	25	36	14
Denmark ^{1 2 3}	4.4	46	40	6	8
Finland ^{1 2 3}	7.3	26	39	16	19
France ^{1 2 3}	5.6	33	33	18	16
Germany ^{1 2 3}	3.8	19	31	13	37
Greece ^{1 2 3}	9.9	25	15	25	35
Hungary ^{1 3}	6.6	27	24	12	37
Iceland ¹	10.1	52	30	9	8
Ireland^{1 2 3}	7.6	15	34	28	23
Italy ^{1 2 3}	4.6	19	46	15	20
Japan ¹	5.4	46	24	2	28
Korea- South ¹	10.0	34	18	7	42
Latvia ³	6.5	39	18	21	23
Mexico ¹	13.1	33	25	24	17
Netherlands ^{1 2 3}	5.2	26	51	10	13
Norway ¹	8.7	34	45	7	14
Romania ³	4.0	24	15	16	45
Slovenia ³	6.4	23	45	18	14
Spain ^{1 2 3}	7.0	25	26	27	22
Turkey ¹	6.0	28	14	10	48
UK ^{1 2 3}	5.9	19	33	27	21
US ¹	10.8	36	30	16	18
EU-15 average	5.8	25	34	20	21
EU-27 average	5.9	26	32	19	23
OECD average	7.1	30	31	16	23

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

¹⁴ Non-opportunity includes a motivation driven by necessity or the desire to maintain income. It is accordingly higher than necessity only.



TABLE 1.25: INFORMAL INVESTMENT ACTIVITY: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Informal investors Percentage in adult population	OCED Ranking (of 19)	EU-15 Ranking (of 11)
Belgium ^{1 2 3}	2.9	2.5	11th	5th
Denmark ^{1 2 3}	4.4	2.1	13th	7th
Finland ^{1 2 3}	7.3	2.8	10th	4th
France ^{1 2 3}	5.6	3.8	7th	1st
Germany ^{1 2 3}	3.8	1.8	14th	8th
Greece ^{1 2 3}	9.9	1.8	15th	9th
Hungary ^{1 3}	6.6	1.1	19th	
Iceland ¹	10.1	7.6	2nd	
Ireland^{1 2 3}	7.6	2.8	9th	3rd
Italy ^{1 2 3}	4.6	2.1	12th	6th
Japan ¹	5.4	1.7	17th	
Korea- South ¹	10.0	5.4	3rd	
Latvia ³	6.5	5.0		
Mexico ¹	13.1	10.4	1st	
Netherlands ^{1 2 3}	5.2	1.7	16th	10th
Norway ¹	8.7	4.5	6th	
Romania ³	4.0	2.0		
Slovenia ³	6.4	2.9		
Spain ^{1 2 3}	7.0	2.8	8th	2nd
Turkey ¹	6.0	4.8	5th	
UK ^{1 2 3}	5.9	1.7	18th	11th
US ¹	10.8	5.2	4th	
EU-15 average	5.8	2.4		
EU-27 average	5.9	2.5		
OECD average	7.1	3.5		

TABLE 1.26: SECTOR OF ACTIVITY OF EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Extractive sectors Percentage of all early stage entrepreneurs	Transformative sectors⁴ Percentage of all early stage entrepreneurs	Business service sectors⁵ Percentage of all early stage entrepreneurs	Consumer service sectors⁶ Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	2	35	21	43
Denmark ^{1 2 3}	4.4	7	22	34	36
Finland ^{1 2 3}	7.3	11	30	22	38
France ^{1 2 3}	5.6	8	19	24	49
Germany ^{1 2 3}	3.8	6	18	26	50
Greece ^{1 2 3}	9.9	3	23	15	58
Hungary ^{1 3}	6.6	7	27	43	23
Iceland ¹	10.1	6	33	34	27
Ireland^{1 2 3}	7.6	8	25	30	37
Italy ^{1 2 3}	4.6	6	25	38	32
Japan ¹	5.4	0	20	39	40
Korea- South ¹	10.0	2	22	23	53
Latvia ³	6.5	5	45	22	29
Mexico ¹	13.1	2	13	15	70
Netherlands ^{1 2 3}	5.2	2	35	34	28
Norway ¹	8.7	8	22	31	38
Romania ³	4.0	8	41	20	31
Slovenia ³	6.4	2	33	47	17
Spain ^{1 2 3}	7.0	8	25	23	43
Turkey ¹	6.0	4	34	15	47
UK ^{1 2 3}	5.9	n/a	n/a	n/a	n/a
US ¹	10.8	4	21	39	35
EU-15 average	5.8	6	26	27	42
EU-27 average	5.9	6	29	28	37
OECD average	7.1	5	25	28	42

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

⁴ Includes construction, manufacturing, transport, wholesale, utilities.

⁵ Includes finance, insurance, real estate, all business services.

⁶ Includes retail, motor, lodgings, restaurants, personal services, health, education, recreation.


TABLE 1.27: SECTOR OF ACTIVITY OF ESTABLISHED ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Extractive sectors Percentage of all established entrepreneurs	Transformative sectors⁴ Percentage of all established entrepreneurs	Business service sectors⁵ Percentage of all established entrepreneurs	Consumer service sectors⁶ Percentage of all established entrepreneurs
Belgium ^{1 2 3}	2.6	15	21	46	18
Denmark ^{1 2 3}	4.4	20	16	35	30
Finland ^{1 2 3}	9.2	33	25	23	18
France ^{1 2 3}	2.8	19	28	12	40
Germany ^{1 2 3}	4.0	7	28	30	35
Greece ^{1 2 3}	12.6	9	22	9	60
Hungary ^{1 3}	5.3	7	20	45	28
Iceland ¹	7.1	10	36	29	25
Ireland^{1 2 3}	9.0	23	32	19	26
Italy ^{1 2 3}	6.5	9	35	28	29
Japan ¹	7.9	0	40	35	25
Korea- South ¹	12.8	5	27	13	54
Latvia ³	3.0	26	50	5	19
Mexico ¹	4.9	4	27	7	62
Netherlands ^{1 2 3}	7.2	18	29	23	30
Norway ¹	7.7	29	25	28	19
Romania ³	2.1	8	38	10	44
Slovenia ³	5.6	4	36	48	12
Spain ^{1 2 3}	9.1	12	35	15	39
Turkey ¹	4.8	5	37	11	47
UK ^{1 2 3}	6.0	n/a	n/a	n/a	n/a
US ¹	8.3	11	20	35	33
EU-15 average	6.7	16	27	24	33
EU-27 average	6.0	15	29	25	31
OECD average	7.0	13	28	25	34

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

⁴ Includes construction, manufacturing, transport, wholesale, utilities.

⁵ Includes finance, insurance, real estate, all business services.

⁶ Includes retail, motor, lodgings, restaurants, personal services, health, education, recreation.



TABLE 1.28: INTERNATIONAL ORIENTATION OF EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early Stage	More than 50%	More than 50%	No customers	1-25%	26-75%	76-100%
	Entrepreneurs	of customers	of customers	customers	customers	customers	customers
	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
	in adult	in adult	in adult	Percentage	Percentage	Percentage	Percentage
	population	population	population	of all	of all	of all	of all
		early stage	early stage	early stage	early stage	early stage	early stage
		entrepreneurs	entrepreneurs	entrepreneurs	entrepreneurs	entrepreneurs	entrepreneurs
Belgium ^{1,2,3}	2.9	0.9	30	15	39	28	17
Denmark ^{1,2,3}	4.4	0.3	7	67	22	7	4
Finland ^{1,2,3}	7.3	0.6	8	54	34	6	6
France ^{1,2,3}	5.6	0.7	13	52	28	10	9
Germany ^{1,2,3}	3.8	0.6	15	21	60	11	7
Greece ^{1,2,3}	9.9	0.1	1	42	48	9	2
Hungary ^{1,3}	6.6	0.2	3	77	15	7	1
Iceland ¹	10.1	1.6	16	17	61	11	11
Ireland^{1,2,3}	7.6	1.4	18	36	38	14	13
Italy ^{1,2,3}	4.6	0.2	5	55	35	8	2
Japan ¹	5.4	0.1	2	52	40	6	1
Korea - South ¹	10.0	1.3	13	54	27	13	6
Latvia ³	6.5	1.1	17	32	34	23	11
Mexico ¹	13.1	0.3	2	71	22	6	2
Netherlands ^{1,2,3}	5.2	0.6	11	52	34	6	9
Norway ¹	8.7	1.4	16	25	54	11	11
Romania ³	4.0	1.2	29	18	33	30	19
Slovenia ³	6.4	1.2	19	39	34	14	14
Spain ^{1,2,3}	7.0	0.9	13	56	23	13	7
Turkey ¹	6.0	0.8	14	47	32	13	8
UK ^{1,2,3}	5.9	0.7	12	51	34	8	7
US ¹	10.8	1.2	11	32	51	11	5
EU-15 average	5.8	0.6	11	46	36	11	8
EU-27 average	5.9	0.7	12	44	34	13	9
OECD average	7.1	0.7	10	46	37	10	7

1 Member of OECD

2 Member of European Union - EU 15

3 Member of European Union - EU 27


TABLE 1.29: INTERNATIONAL ORIENTATION OF ESTABLISHED ENTREPRENEURS: OECD AND EU

	Established Entrepreneurs	More than 50% of customers outside country	More than 50% of customers outside country	No customers outside country	1-25% customers outside country	26-75% customers outside country	76-100% customers outside country
	Percentage in adult population	Percentage in adult population	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs
Belgium ^{1,2,3}	2.6	0.4	17	28	48	21	3
Denmark ^{1,2,3}	4.4	0.5	12	56	30	5	9
Finland ^{1,2,3}	9.2	0.5	5	63	31	1	5
France ^{1,2,3}	2.8	0.7	27	25	43	10	21
Germany ^{1,2,3}	4.0	0.3	7	25	63	8	4
Greece ^{1,2,3}	12.6	1.0	8	35	44	18	3
Hungary ^{1,3}	5.3	0.2	3	71	23	3	3
Iceland ¹	7.1	0.9	13	21	62	10	7
Ireland^{1,2,3}	9.0	1.0	11	51	32	12	5
Italy ^{1,2,3}	6.5	0.3	4	55	33	11	1
Japan ¹	7.9	0.3	3	70	25	3	2
Korea- South ¹	12.8	0.7	6	66	25	7	2
Latvia ³	3.0	0.5	17	44	30	21	5
Mexico ¹	4.9	0.4	9	56	27	7	11
Netherlands ^{1,2,3}	7.2	0.7	10	45	37	13	5
Norway ¹	7.7	0.7	9	42	47	3	9
Romania ³	2.1	0.1	6	23	56	16	4
Slovenia ³	5.6	0.9	16	35	40	17	9
Spain ^{1,2,3}	9.1	0.7	7	65	23	8	4
Turkey ¹	4.8	0.3	7	58	32	5	6
UK ^{1,2,3}	6.0	0.5	8	51	36	7	5
US ¹	8.3	0.5	6	37	51	10	2
EU-15 average	6.7	0.6	9	45	38	10	6
EU-27 average	6.0	0.6	9	45	38	11	6
OECD average	7.0	0.6	8	48	37	9	6

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27



TABLE 1.30: NEWNESS OF TECHNOLOGY OF EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Business uses the very latest technology (less than 1 year) Percentage of all early stage entrepreneurs	Business uses new technology (1-5 years) Percentage of all early stage entrepreneurs	Business uses established technology (5+ years) Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	14	22	64
Denmark ^{1 2 3}	4.4	12	13	75
Finland ^{1 2 3}	7.3	11	15	75
France ^{1 2 3}	5.6	20	18	62
Germany ^{1 2 3}	3.8	3	9	88
Greece ^{1 2 3}	9.9	23	18	59
Hungary ^{1 3}	6.6	0	15	84
Iceland ¹	10.1	14	20	67
Ireland^{1 2 3}	7.6	6	32	62
Italy ^{1 2 3}	4.6	8	28	64
Japan ¹	5.4	9	25	66
Korea- South ¹	10.0	12	15	73
Latvia ³	6.5	9	25	66
Mexico ¹	13.1	8	12	80
Netherlands ^{1 2 3}	5.2	2	15	83
Norway ¹	8.7	15	14	72
Romania ³	4.0	6	15	79
Slovenia ³	6.4	10	24	66
Spain ^{1 2 3}	7.0	9	18	73
Turkey ¹	6.0	7	25	68
UK ^{1 2 3}	5.9	7	18	75
US ¹	10.8	6	16	78
EU-15 average	5.8	10	19	71
EU-27 average	5.9	9	19	72
OECD average	7.1	10	18	72

TABLE 1.31: NEWNESS OF PRODUCT/SERVICE OF EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Product/service is new to all customers Percentage of all early stage entrepreneurs	Product/service is new to some customers Percentage of all early stage entrepreneurs	Product/service is new to no customers Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	14	29	57
Denmark ^{1 2 3}	4.4	27	30	43
Finland ^{1 2 3}	7.3	14	29	56
France ^{1 2 3}	5.6	10	38	52
Germany ^{1 2 3}	3.8	9	34	57
Greece ^{1 2 3}	9.9	26	25	49
Hungary ^{1 3}	6.6	2	14	84
Iceland ¹	10.1	20	30	49
Ireland^{1 2 3}	7.6	11	38	51
Italy ^{1 2 3}	4.6	14	27	59
Japan ¹	5.4	11	37	52
Korea- South ¹	10.0	11	44	45
Latvia ³	6.5	22	38	40
Mexico ¹	13.1	18	37	45
Netherlands ^{1 2 3}	5.2	21	20	59
Norway ¹	8.7	10	32	58
Romania ³	4.0	13	22	66
Slovenia ³	6.4	15	32	53
Spain ^{1 2 3}	7.0	21	31	49
Turkey ¹	6.0	42	44	13
UK ^{1 2 3}	5.9	18	24	58
US ¹	10.8	13	27	60
EU-15 average	5.8	17	30	54
EU-27 average	5.9	16	29	56
OECD average	7.1	16	31	52

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27


TABLE 1.32: EXTENT OF COMPETITION FACING EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	New business has many competitors Percentage of all early stage entrepreneurs	New business has few competitors Percentage of all early stage entrepreneurs	New business has no competitors Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	49	40	12
Denmark ^{1 2 3}	4.4	n/a	n/a	n/a
Finland ^{1 2 3}	7.3	59	34	7
France ^{1 2 3}	5.6	55	32	13
Germany ^{1 2 3}	3.8	52	42	6
Greece ^{1 2 3}	9.9	43	46	11
Hungary ^{1 3}	6.6	70	23	7
Iceland ¹	10.1	49	34	17
Ireland^{1 2 3}	7.6	30	58	12
Italy ^{1 2 3}	4.6	73	25	3
Japan ¹	5.4	70	25	5
Korea- South ¹	10.0	72	22	6
Latvia ³	6.5	49	43	8
Mexico ¹	13.1	53	42	5
Netherlands ^{1 2 3}	5.2	49	41	10
Norway ¹	8.7	45	39	17
Romania ³	4.0	72	20	9
Slovenia ³	6.4	47	43	11
Spain ^{1 2 3}	7.0	57	33	10
Turkey ¹	6.0	69	26	5
UK ^{1 2 3}	5.9	44	42	15
US ¹	10.8	48	41	11
EU-15 average	5.8	51	39	10
EU-27 average	5.9	53	38	10
OECD average	7.1	55	36	10

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27



TABLE 1.33: MARKET IMPACT OF EARLY STAGE AND ESTABLISHED ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs	Market impact - no market expansion	Market impact - some market expansion but no new technology	Market impact - some market expansion with some new technology	Market impact - profound	Established entrepreneurs	Market impact - no market expansion	Market impact - some market expansion but no new technology	Market impact - some market expansion with some new technology	Market impact - profound
	Percentage in adult population	Percentage of all early stage entrepreneurs	Percentage of all early stage entrepreneurs	Percentage of all early stage entrepreneurs	Percentage of all early stage entrepreneurs	Percentage of all in adult population	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs	Percentage of all established entrepreneurs
Belgium ^{1,2,3}	2.9	52	34	8	6	2.6	65	27	7	1
Denmark ^{2,3}	4.4	47	41	4	8	4.4	69	29	1	1
Finland ^{2,3}	7.3	58	32	9	1	9.2	71	19	10	0
France ^{2,3}	5.6	56	24	19	1	2.8	77	23	0	0
Germany ^{1,2,3}	3.8	64	33	1	2	4.0	72	26	2	0
Greece ^{2,3}	9.9	41	36	18	5	12.6	59	23	14	4
Hungary ³	6.6	86	14	0	0	5.3	92	2	6	0
Iceland ¹	10.1	51	35	6	8	7.1	72	26	1	1
Ireland ^{1,2,3}	7.6	56	38	5	1	9.0	82	18	0	0
Italy ^{1,2,3}	4.6	72	20	5	3	6.5	73	25	2	0
Japan ¹	5.4	65	26	9	0	7.9	83	15	2	0
Korea- South ¹	10.0	66	22	8	4	12.8	73	25	2	0
Latvia ³	6.5	48	43	7	2	3.0	60	40	0	0
Mexico ¹	13.1	55	37	6	2	4.9	67	26	4	3
Netherlands ^{2,3}	5.2	56	42	2	0	7.2	81	19	0	0
Norway ¹	8.7	49	36	13	2	7.7	80	18	1	1
Romania ³	4.0	65	28	5	2	2.1	92	8	0	0
Slovenia ³	6.4	56	34	7	3	5.6	74	22	2	2
Spain ^{1,2,3}	7.0	55	35	8	2	9.1	70	23	6	1
Turkey ¹	6.0	39	54	5	2	4.8	58	41	1	0
UK ^{1,2,3}	5.9	55	38	5	2	6.1	77	21	2	0
US ¹	10.8	60	34	4	2	8.3	78	19	2	1
EU-15 average	5.8	55	34	8	3	6.7	72	22	5	1
EU-27 average	5.9	57	33	8	2	6.0	73	21	5	1
OECD average	7.1	57	33	8	2	7.0	73	22	4	1

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27


TABLE 1.34: EXPECTED EMPLOYMENT GROWTH OF EARLY STAGE ENTREPRENEURS: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Any jobs now or any jobs expected Percentage in adult population	Any jobs now or any jobs expected Percentage of all early stage entrepreneurs	Expect 20 or more jobs within 5 years Percentage in adult population	Expect 20 or more jobs within 5 years Percentage of all early stage entrepreneurs
Belgium ^{1 2 3}	2.9	2.3	82	0.3	11
Denmark ^{1 2 3}	4.4	3.4	77	0.3	7
Finland ^{1 2 3}	7.3	4.8	65	0.4	5
France ^{1 2 3}	5.6	4.1	72	0.3	6
Germany ^{1 2 3}	3.8	2.3	61	0.3	7
Greece ^{1 2 3}	9.9	5.9	60	0.5	5
Hungary ^{1 3}	6.6	3.4	51	0.2	4
Iceland ¹	10.1	8.2	82	1.9	19
Ireland^{1 2 3}	7.6	6.3	82	1.7	23
Italy ^{1 2 3}	4.6	3.4	74	0.4	9
Japan ¹	5.4	4.4	81	0.9	17
Korea- South ¹	10.0	8.6	86	1.4	14
Latvia ³	6.5	3.2	48	1.1	17
Mexico ¹	13.1	10.1	77	0.2	2
Netherlands ^{1 2 3}	5.2	4.1	80	0.2	4
Norway ¹	8.7	6.0	69	1.0	12
Romania ³	4.0	2.7	68	0.5	13
Slovenia ³	6.4	4.6	73	0.7	10
Spain ^{1 2 3}	7.0	6.0	85	0.4	5
Turkey ¹	6.0	4.8	80	1.1	18
UK ^{1 2 3}	5.9	3.9	65	0.6	11
US ¹	10.8	8.0	74	2.3	22
EU-15 average	5.8	4.2	72	0.5	8
EU-27 average	5.9	4.0	69	0.5	9
OECD average	7.1	5.3	74	0.8	11

TABLE 1.35: EXPECTED EMPLOYMENT GROWTH OF ESTABLISHED ENTREPRENEURS: OECD AND EU

	Established entrepreneurs Percentage in adult population	Expect 10 or more jobs within 5 years, with minimum 50% growth in employment Percentage of all established entrepreneurs
Belgium ^{1 2 3}	2.6	5
Denmark ^{1 2 3}	4.4	6
Finland ^{1 2 3}	9.2	3
France ^{1 2 3}	2.8	6
Germany ^{1 2 3}	4.0	2
Greece ^{1 2 3}	12.6	2
Hungary ^{1 3}	5.3	8
Iceland ¹	7.1	4
Ireland^{1 2 3}	9.0	6
Italy ^{1 2 3}	6.5	4
Japan ¹	7.9	3
Korea- South ¹	12.8	2
Latvia ³	3.0	5
Mexico ¹	4.9	2
Netherlands ^{1 2 3}	7.2	4
Norway ¹	7.7	4
Romania ³	2.1	7
Slovenia ³	5.6	5
Spain ^{1 2 3}	9.1	3
Turkey ¹	4.8	4
UK ^{1 2 3}	6.0	5
US ¹	8.3	9
EU-15 average	6.7	4
EU-27 average	6.0	5
OECD average	7.0	4

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27



SECTION 2

ENTREPRENEURSHIP IN THE REGIONS OF IRELAND

2.1 INTRODUCTION

Good policy is based on good information. GEM research has been to the fore in providing timely information to underpin entrepreneurship policy within Ireland. This section adds further to that contribution by offering a deeper analysis of the Irish entrepreneurial landscape at regional level. This should allow a more precise identification of the key issues within each region and the development of appropriate responses. In this way, a more targeted approach can be adopted by the development agencies and other appropriate stakeholders to build on existing strengths and overcome any identified weakness. As a result, the potential of entrepreneurship may be harnessed to drive regional development, deliver economic and social benefits to regions and build strong local communities.

The Irish regions that are the focus of this section correspond to the European Union designated NUTS III regions. These are the regions of the Border, Dublin, Mid-East, Midlands, Mid-West, South East, South West and the West. Table 2.1 defines these regions in terms of Irish counties.

For each region the issues relating to entrepreneurship which are examined include the rate of entrepreneurial activity, in terms of *nascent entrepreneurs*, *new firm entrepreneurs*, *total early stage entrepreneurship*, and the aspiration to start a business in the medium term; entrepreneurial activity by gender; the cultural and personal context of those living in the region; and the rate of informal investors. Each regional profile consists of (i) a commentary that highlights noteworthy points about the region and (ii) a table which summarizes the results for the region.

To estimate entrepreneurial activity in NUTS III regions in Ireland, appropriate county level data from annual GEM surveys were combined for the five year period 2004 to 2008 inclusive.¹⁶ This resulted in a sample of approximately 8,600 adults aged 18 to 64 years of age.¹⁷ These sample sizes are sufficient to report on levels of entrepreneurial activity for each region. Given the relatively small sample sizes for some regions, however, and the statistical margin of error attached to such sample sizes, it is important to remember that small differences between NUTS III regions may not be statistically significant differences.

TABLE 2.1: NUTS III REGIONS IN IRELAND

Region	Counties
Border	Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo
Dublin Region	Dublin City, Dun Laoghaire-Rathdown, Fingal and South Dublin
Mid-East	Kildare, Meath and Wicklow
Midlands	Laois, Longford, Offaly and Westmeath
Mid-West ⁴	Clare, Limerick and North Tipperary ⁴
South East	Carlow, Kilkenny, South Tipperary, ¹⁵ Waterford and Wexford
South West	Cork and Kerry
West	Galway, Mayo and Roscommon

¹⁵ As GEM data is collected by county there is data for the county of Tipperary but not separately for North and South Riding, which are in two separate NUTS III regions, the Mid-West and South East regions respectively. The appropriate analytical response is to exclude Tipperary from the analysis. While this could influence the rate of entrepreneurial activity for the South East and Mid-West, there is no reason to believe that the rate for either of these regions would be significantly higher or lower than the other counties in the respective NUTS III regions. Accordingly, the rate of entrepreneurial activity for these regions is calculated excluding Tipperary. In calculating absolute numbers of entrepreneurs in the Mid-West and South East regions, we apply these GEM rates to the total population of the regions, including Tipperary North and Tipperary South respectively.

¹⁶ It is not been possible to respond to requests to undertake regional analysis of this nature based on one year's adult population survey, as the annual total of adults surveyed (2,000) is not sufficient to carry out an in-depth analysis at regional level. By combining the data available from the adult population surveys for a five year period (2004 to 2008 inclusive), however, it is possible to have a sufficient sample size in each region to make meaningful comparisons between and across regions.

¹⁷ Sample sizes (rounded) for the regions using the combined 2004 to 2008 datasets are as follows: Border 800; Dublin 2,540; Mid-East 850; Midland 600; Mid-West 620; South East 870; South West 1,400; West 910.



2.2 OVERVIEW OF RATES OF ENTREPRENEURIAL ACTIVITY IN THE REGIONS

Many individuals in all regions of Ireland are entrepreneurs. Table 2.2 presents the rates of aspiration to start a business, *nascent entrepreneurs*, *new firm entrepreneurs*, *total early stage entrepreneurs*, and informal investment activity in the eight regions.

There is variation across the regions in terms of the rates of entrepreneurship. However, reflecting the variation in the populations in each region, the greatest number of entrepreneurs is typically in regions with large populations, irrespective of the relative rate of entrepreneurship for the region. For example, Dublin has a relatively low rate of *early stage entrepreneurs*, but it also has the greatest absolute number of early stage entrepreneurs reflecting its large population base.¹⁸ Again reflecting the size of its population base, the smallest number of *early stage entrepreneurs* is to be found in the Midlands.

In all regions a large number of people aspire to be entrepreneurs in the next three years, but there is variation across regions in this respect. Across the regions, differences can be observed in the rate of *nascent entrepreneurship*, with the Mid East (5.8%) having one and a half times the rate of the Dublin region (3.8%). The rate at which individuals are successful in setting up new

businesses around the country varies with the highest rate of *new firm entrepreneurs* in the South East (6.1%) almost double that of the Border region (3.1%). Total early stage entrepreneurial activity rates reflect the nascent and new firm rates and range from a low of 7.2% in Dublin, the Mid West and the South West to a high of 10.7% in the South East and 10.0% in the West. The highest rate of informal investment is in the West (3.2%) and the South West (3.1%). The rate of informal investment activity is lowest in the Mid West (1.4%). Informal investors are those that have invested in someone else's new business in the previous three years. As they are typically family members or friends of the entrepreneur in whose business they invest, there is often a relatively close geographical proximity between the investor and the investee.²⁰

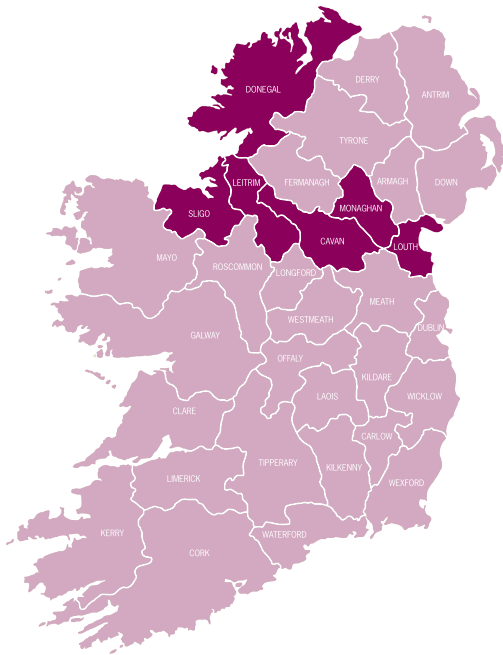
TABLE 2.2: ENTREPRENEURIAL ACTIVITY BY REGION (2004-2008)

Region	Expect to start a business in next 3 years	Nascent entrepreneurs	New firm entrepreneurs	Early stage entrepreneurs (TEA) ¹⁹	Informal investment activity
	Percentage of all adults	Percentage of all adults	Percentage of all adults	Percentage of all adults	Percentage of all adults
Ireland (2008)	10.0%	4.4%	3.9%	8.1%	2.8%
Border	12.8%	5.0%	3.1%	7.9%	2.0%
Dublin	10.5%	3.8%	3.6%	7.2%	2.3%
Mid-East	11.8%	5.8%	4.0%	9.5%	2.4%
Midlands	10.3%	5.7%	3.9%	9.1%	2.7%
Mid-West	13.0%	4.3%	3.5%	7.2%	1.4%
South East	10.7%	5.1%	6.1%	10.7%	2.0%
South West	8.6%	4.1%	3.3%	7.2%	3.1%
West	10.5%	5.4%	4.9%	10.0%	3.2%

¹⁸ As just under a third (29.4%) of all adults living in Ireland are to be found in the Dublin region, the number of entrepreneurs living in this region may be expected to be higher than in the other regions.

¹⁹ Total early stage entrepreneurial activity (TEA) is a combination of nascent and new firm entrepreneurs. Nascent and new firm rates sum to less than the early stage entrepreneurship rate as some entrepreneurs are initially counted as both but are only counted once in the early stage rate.

²⁰ 'Barriers to investment in the informal venture capital sector', by C. Mason and R. Harrison, in *Entrepreneurship & Regional Development*, 2002



2.3 REGIONAL PROFILES

2.3.1 The Border Region

The Border region comprises six counties, Cavan, Donegal, Leitrim, Louth, Monaghan, and Sligo and extends from the North East to the North West of the country. The population of the region is now 467,000 having increased by over 8% in the period 2002 to 2006.

The Border region has been associated in the past with a large degree of disadvantage given its position close to the conflict within Northern Ireland and the knock on effects of that on the commercial life of the region. With the dawning of peace in Northern Ireland, the Border region is expected to enjoy a large degree of renewal and to benefit from the funds available from a variety of sources for the regeneration of the area. For this reason taking an average of entrepreneurial activity in this region over the last five years may understate what is currently happening as the dynamics within the region and its relative growth prospects have considerably altered in that period (Table 2.3).

With this caveat, the following observations can be made:

- The Border region has a relatively low rate of *early stage entrepreneurs* (7.9%) among its adult population compared to the other regions and the rate at which individuals have recently started new businesses

(3.1%) is the lowest of all regions. It is estimated that approximately 250 individuals are setting up new businesses in the Border region each month.

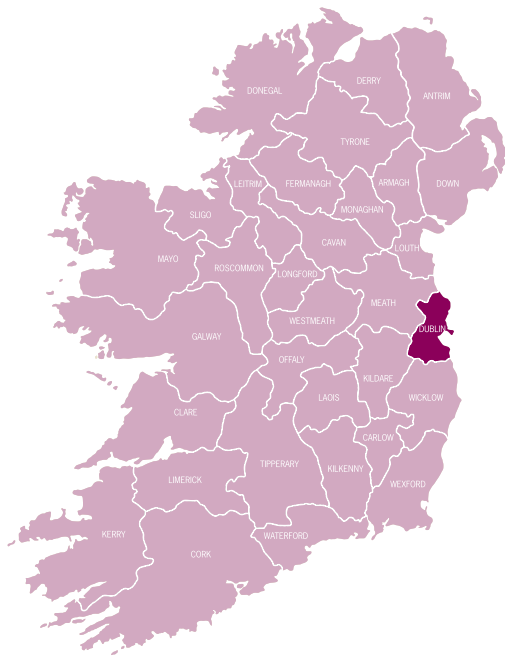
- The rate of *nascent entrepreneurs*, that is those actively planning a new businesses, is more on a par (5.0%) with the average of the other regions, while the rate at which individuals in the Border region are aspiring to start a new business in the next three years (12.8%) is second highest across the regions.
- The ratio of men to women *early stage entrepreneurs* (2.0) is relatively positive and displays a remarkable difference to Northern Ireland where the rate at which women set up new enterprises is extremely low (2.1%)²¹ and consequently the gender gap is very wide (4:0).
- The culture and social norms in the Border region are extremely supportive.
- Informal investment is very low (2.0%), among the lowest rates across the regions, and could create a barrier for those endeavouring to bridge the financing needs between their own resources and the requirements of their new enterprise.

TABLE 2.3: BORDER REGION

Entrepreneurial Activity	Percentage of all adults
- Nascent entrepreneurs	5.0%
- New firm entrepreneurs	3.1%
- Total early stage entrepreneurs (TEA)	7.9%
- Expect to start a business in the next three years	12.8%
Gender	
- Early Stage entrepreneurial activity - Men	10.3%
- Early Stage entrepreneurial activity - Women	5.4%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	67%
- Successful entrepreneurs are held in high regard	78%
- Positive media coverage of successful entrepreneurs	80%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	41%
- Have the knowledge and skills to start a business	48%
- Good opportunities to start a business	47%
- 'Fear of failure' prevent you starting a business	38%
Informal Investors	
- Invested in someone else's business in the last 3 years	2.0%



²¹ The GEM report (2007) notes that Northern Ireland is ranked bottom of the 12 UK regions in terms of the rate of early stage entrepreneurial activity among women. http://www.investni.com/global_entrepreneurship_monitor_gem_northern_ireland_summary_2007.pdf



2.3.2 The Dublin Region

The Dublin Region comprises the four local authority areas of Dublin city, Dun Laoghaire Rathdown, Fingal and South Dublin. It is by far the most populous region in the country with 1.2 million inhabitants and almost one third of the adult population in the country. Accordingly for many categories the Dublin region has the highest *number* of entrepreneurs in the country, although the relative proportion of its adult population that is engaged in entrepreneurial activity is below the average across all regions. (Table 2.4)

It is estimated, for example, that 750 individuals are setting up new businesses in the Dublin region each month. This is the highest number across all the regions. The next highest is the South East region with an estimated 450 individuals setting up new businesses each month.

A forthcoming GEM global report on world cities,²² demonstrates that due to a combination of complex factors, including education, knowledge spillovers, the existence of specialized markets and sophisticated infrastructure, world cities frequently have a higher level of early stage entrepreneurship activity rates than the country in which they are located. Accordingly, the authors refer to the *entrepreneurial advantage of world cities*. This is particularly the case when the country is not itself very entrepreneurial, for example Germany.

Given that Ireland is relatively entrepreneurial as a whole, Dublin does not enjoy this *entrepreneurial advantage* over the rest of the country, as the rate of *early stage entrepreneurship* in Dublin (7.2%) is below the country average. Moreover, Dublin has the lowest rate of *established entrepreneurs* across the adult populations in all regions of the country. This is the case for both men and women. The rate at which individuals in Dublin are open to starting a new business in the coming three years (10.5%) is also slightly below the average across all the regions.

In Dublin the rate of *early stage entrepreneurship* among women (3.3%) is very low (the second lowest across the regions). In contrast, the rate at which men are *early stage entrepreneurs* (11.4%) is at the mid range. Consequently there are more than three times as many men as women *early stage entrepreneurs* in the Dublin region. In this regard the gender gap is wider in Dublin than it is in six of the other seven regions.²³

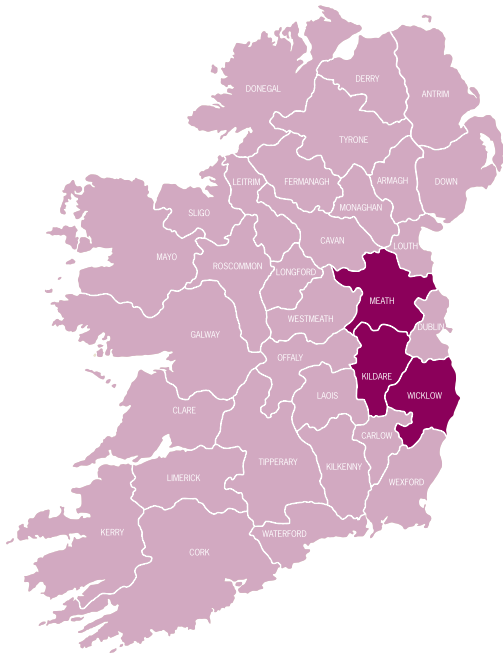
The cultural and social norms in Dublin concerning entrepreneurship are very positive with successful entrepreneurs being held in very high regard (83% - second highest across the regions), but their perception of entrepreneurial opportunity (40%) is amongst the lowest.

TABLE 2.4: DUBLIN REGION

Entrepreneurial Activity	Percentage of all adults
- Nascent entrepreneurs	3.8%
- New firm entrepreneurs	3.6%
- Total early stage entrepreneurs (TEA)	7.2%
- Expect to start a business in the next three years	10.5%
Gender	
- Early Stage entrepreneurial activity - Men	11.4%
- Early Stage entrepreneurial activity - Women	3.3%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	64%
- Successful entrepreneurs are held in high regard	83%
- Positive media coverage of successful entrepreneurs	72%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	39%
- Have the knowledge and skills to start a business	50%
- Good opportunities to start a business	40%
- 'Fear of failure' prevent you starting a business	37%
Informal Investors	
- Invested in someone else's business in the last 3 years	2.3%

²² A study of over 30 world cities, the report includes the Dublin region in its analysis as a single world city unit. The Entrepreneurial Advantage of World Cities, Evidence from the Global Entrepreneurship Monitor, Zoltan Acs, Niels Bosma and Rolf Sternberg, EIM, H200810 forthcoming. The global cities report measures entrepreneurship in Dublin for an earlier time period, 2001 to 2006.

²³ The only region with a wider gender gap is the Mid West region, with 3.6 times as many men early stage entrepreneurs as women early stage entrepreneurs.



2.3.3 The Mid-East Region

The counties of Kildare, Meath, and Wicklow make up the Mid-East Region. Surrounding the Dublin Region it has become increasingly important as a commuter belt in recent years. The population in the region has increased by over 15% between 2002 and 2006, the highest rate of increase of any region. The third most populous region, the Mid East now has over 475,000 inhabitants.

The Mid-East also has a very high rate of *nascent entrepreneurs* (5.8% - the highest of all the regions). The rate of *new firm entrepreneurs*, however, is more at the average across the regions. Accordingly, the rate of total early stage entrepreneurial activity in the region (9.5%) is slightly ahead of the average across the regions and considerably higher than the neighbouring Dublin region (7.2%) (Table 2.5).

It is estimated that approximately 300 individuals are setting up new businesses in the Mid East region every month.

The rate at which individuals in the Mid East region indicate that they might consider starting a new business in the coming three years is the third highest of all regions (12.5%). The rate at which men are *early stage entrepreneurs* (14.4%) in the Mid-East region is one of the highest of all of the regions,²⁴

but the involvement of women in early stage entrepreneurial activity in the Mid-East (4.7%) is below average and third lowest across the regions.

In terms of cultural and social norms and the personal context of the adult population within the Mid-East, there are mixed indications:

- The perception by individuals of entrepreneurial opportunities in the Mid-East region is the second highest across all the regions (46%).²⁵
- The fear of failure as a brake to entrepreneurial activity (34%) is lowest in the Mid East compared to any of the other regions.
- The perception that entrepreneurship is a good career choice is held by a smaller proportion of adults (59%) in the Mid-East, than in any other region.

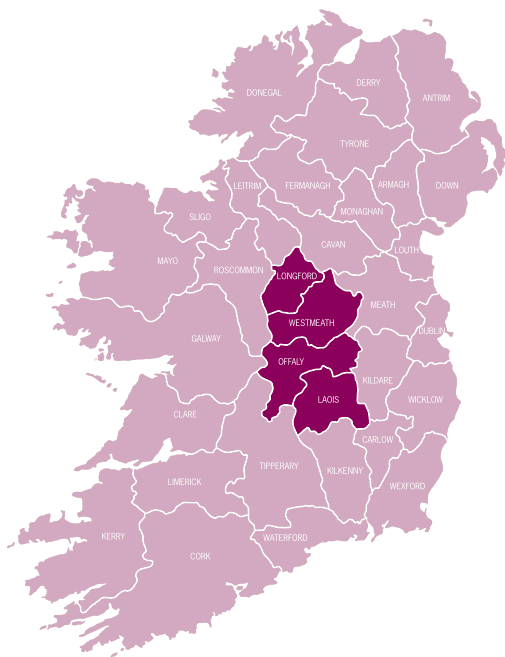
TABLE 2.5: MID-EAST REGION

	Percentage of all adults
Entrepreneurial Activity	
- Nascent entrepreneurs	5.8%
- New firm entrepreneurs	4.0%
- Total early stage entrepreneurs (TEA)	9.5%
- Expect to start a business in the next three years	11.8%
Gender	
- Early Stage entrepreneurial activity - Men	14.4%
- Early Stage entrepreneurial activity - Women	4.7%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	59%
- Successful entrepreneurs are held in high regard	78%
- Positive media coverage of successful entrepreneurs	75%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	41%
- Have the knowledge and skills to start a business	50%
- Good opportunities to start a business	46%
- 'Fear of failure' prevent you starting a business	34%
Informal Investors	
- Invested in someone else's business in the last 3 years	2.4%



²⁴ Only the South West region is higher with a rate of 15.5% for early stage male entrepreneurs.

²⁵ Only in the Border region do a higher proportion of people perceive opportunities for new entrepreneurial ventures (47%).



2.3.4 The Midlands Region

The four counties of Laois, Longford, Offaly and Westmeath comprise the Midlands region. It has the smallest population base (251,000) and the lowest number of adults (157,000) of any region in the country. Between 2002 and 2006 the population in the Midlands increased by 11.7%. This was the second highest rate of increase in the country.²⁶

The Midlands, with the Mid East Region²⁷, has the highest rate of *nascent entrepreneurs* of any region (5.7%), but the rate of *new firm entrepreneurs* (3.9%) is more at the average level (Table 2.6). It is estimated that approximately 150 individuals in the Midlands are setting up new businesses every month. This is the lowest number across all the regions and reflects the fact that the Midlands has the smallest population of all regions.

The rate at which individuals within the Midlands are aspiring to start a new business in the next three years is not particularly high (10.3%) and is slightly below the average across all the regions (11.0%).

The rate of early stage entrepreneurial activity by women in the region (7.2%) is the highest in the country and the gender

gap among *early stage entrepreneurs* in the Midlands is the lowest in the country, with men just one and a half times more likely than women to be *early stage entrepreneurs*.

The personal context for individuals living in the Midlands is reasonably good:

- A high proportion knows someone who has recently become an entrepreneur (41%), the second highest rate across the regions.²⁸
- The level of self-belief is very high with a higher proportion of individuals in the Midlands (54%) confident in their ability to start and successfully run a new business compared to any other region.
- The perception of opportunity is also high (46%) on a par with the Mid-East region and the second highest of the regions.²⁹
- Fear of failure as an inhibitor to entrepreneurial activity is very low (35%) compared to the other regions.³⁰

TABLE 2.6: MIDLANDS REGION

Entrepreneurial Activity	Percentage of all adults
- Nascent entrepreneurs	5.7%
- New firm entrepreneurs	3.9%
- Total early stage entrepreneurs (TEA)	9.1%
- Expect to start a business in the next three years	10.3%
Gender	
- Early Stage entrepreneurial activity - Men	11.0%
- Early Stage entrepreneurial activity - Women	7.2%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	70%
- Successful entrepreneurs are held in high regard	86%
- Positive media coverage of successful entrepreneurs	73%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	41%
- Have the knowledge and skills to start a business	54%
- Good opportunities to start a business	46%
- 'Fear of failure' prevent you starting a business	35%
Informal Investors	
- Invested in someone else's business in the last 3 years	2.7%

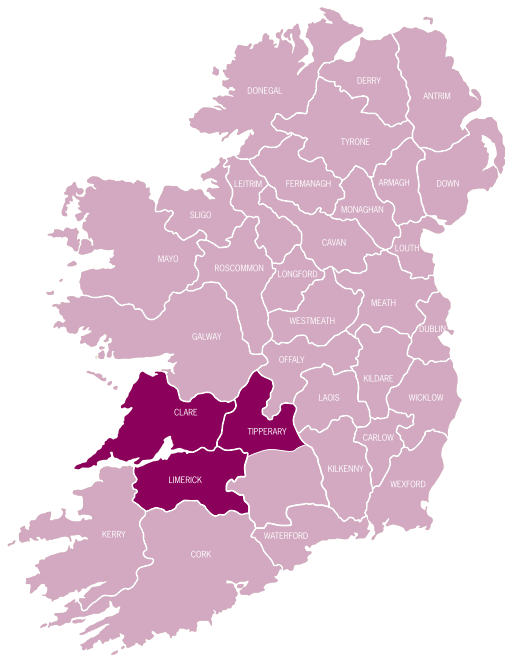
²⁶ The highest rate of population increase was in the Mid-East region (15.2%).

²⁷ The rate of nascent entrepreneurship in the Mid East region is 5.8%.

²⁸ Only in the West region is the rate higher (43%).

²⁹ The perception of opportunity is higher only in the border region (47%).

³⁰ Only in the Mid East is fear of failure lower (34%).



2.3.5 The Mid-West Region

The Mid-West, comprising the counties of Clare, Limerick and Tipperary North, is the second smallest of the regions in terms of population (361,000). Between 2002 and 2006, the population of the Mid-West increased more slowly (6.3%) than that of any other region, except Dublin (5.7%). The rate of *nascent* (4.3%) and *new firm entrepreneurs* (3.5%) in the Mid West are both below the average across all regions. The rate of total early stage entrepreneurial activity in the Mid-West region is particularly low (7.2%) being on a par with Dublin and the South West regions (Table 2.7).

It is estimated that approximately 200 individuals are setting up new businesses in the Mid-West region every month.

The percentage of individuals who might consider starting a business in the coming three years (13.0%) is more positive and is the highest across all the regions. The extremely low level of informal investment in the Mid-West (1.4%), the lowest rate across the regions, may increase the difficulty for aspiring entrepreneurs to follow through on their wish to start a new business.

The rate at which women in the Mid-West engage in early stage entrepreneurial activity (3.2%) is the lowest across all the regions, with men in the region more than three and a half times

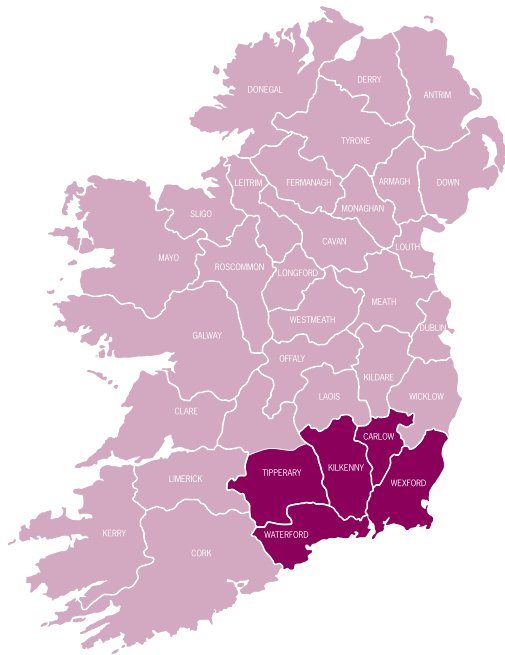
(3.6:1) more likely to be *nascent* or *new firm entrepreneurs*. This is the widest gender gap for *early stage entrepreneurs* across all regions.

While the cultural and social norms in the Mid-West region are broadly positive, with a very high proportion of individuals holding successful entrepreneurs in high regard (84%), the personal context of individuals in the region is much less positive. Compared to all the other regions, fewer individuals in the Mid-West region have confidence in their ability to successfully start a new business (47%), fewer perceive entrepreneurial opportunities (39%) and fewer have recent entrepreneurs in their social circle (37%). As a result, it is perhaps not surprising that the rate of nascent entrepreneurship in the region is relatively low.

TABLE 2.7: MID-WEST REGION

Entrepreneurial Activity	Percentage of all adults
- Nascent entrepreneurs	4.3%
- New firm entrepreneurs	3.5%
- Total early stage entrepreneurs (TEA)	7.2%
- Expect to start a business in the next three years	13.0%
Gender	
- Early Stage entrepreneurial activity - Men	11.6%
- Early Stage entrepreneurial activity - Women	3.2%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	62%
- Successful entrepreneurs are held in high regard	84%
- Positive media coverage of successful entrepreneurs	77%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	37%
- Have the knowledge and skills to start a business	47%
- Good opportunities to start a business	39%
- 'Fear of failure' prevent you starting a business	35%
Informal Investors	
- Invested in someone else's business in the last 3 years	1.4%





2.3.6 The South East Region

The South East is made up of the five counties of Carlow, Kilkenny, South Tipperary, Waterford, and Wexford. The population increased (8.8%) between 2002 and 2006 above at the national rate (7.4%) and is now almost 470,000.

The rate of *early stage entrepreneurship* is the highest in the South East across the regions (10.7%) - reflecting the highest rate of *new firm entrepreneurship* (6.1%) combined with a strong nascent rate (5.1%) (Table 2.8). *Early stage entrepreneurship* is primarily driven by the extremely high rate of early stage entrepreneurial activity among men in the region (15.5%), which is the highest rate across all regions. Men in the region are two and a half times more likely to be *early stage entrepreneurs* than are women.

The proportion of individuals in the region, however, that aspire to start a new business (10.7%) is more at the average for the regions (11.0%).

The cultural support towards entrepreneurship in Ireland is highly supportive and the cultural and social norms in the South East region are broadly at the country average.

The personal context of individuals in terms of their personal knowledge of an entrepreneurial role model, self confidence in their belief to successful start and

manage a new business and their perception of opportunity are all in or about the mid range across the regions.

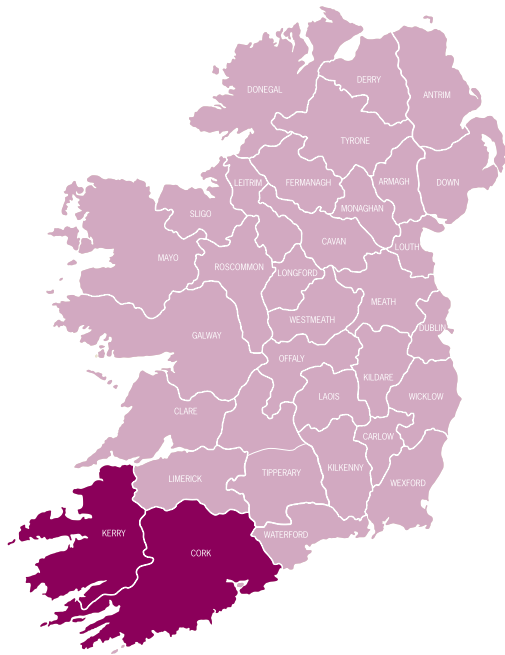
It is estimated that 450 individuals are setting up new businesses in the South East region every month. This number is second only to the Dublin region.

While noting the very high rate of new businesses being started in the South East, it is also important to note that most of the businesses are likely to remain very small as *early stage entrepreneurs* in the South East appear to lack ambition in terms of their growth aspirations. They are also less export oriented than is the norm across all regions and have a low percentage of significant exporters among them. The rate of informal investment in the South East (2.0%) is slightly less than the average across all regions (2.4%).

These present significant challenges as the potential positive impact on the region of the high rate of new enterprises is diluted by their low rate of growth and their locally traded nature with few becoming involved in any meaningful way in developing overseas markets.

TABLE 2.8: SOUTH EAST REGION

Entrepreneurial Activity	Percentage of all adults
- Nascent entrepreneurs	5.1%
- New firm entrepreneurs	6.1%
- Total early stage entrepreneurs (TEA)	10.7%
- Expect to start a business in the next three years	10.7%
Gender	
- Early Stage entrepreneurial activity - Men	15.5%
- Early Stage entrepreneurial activity - Women	6.1%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	64%
- Successful entrepreneurs are held in high regard	81%
- Positive media coverage of successful entrepreneurs	74%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	38%
- Have the knowledge and skills to start a business	49%
- Good opportunities to start a business	43%
- 'Fear of failure' prevent you starting a business	38%
Informal Investors	
- Invested in someone else's business in the last 3 years	2.0%



2.3.7 The South West Region

The South West region comprises just two counties, Cork and Kerry, but has the largest population (over 621,000) of any region outside Dublin, with three quarters of the population in the region living in County Cork. The population of the region increased at the average national rate (7.4%) between 2002 and 2006.

While the rate of *established entrepreneurs* in the region is the second highest of all the regions, the rate of engagement by individuals in early stage entrepreneurial activity is relatively low (7.2%), and below the average across the regions (8.6%). The proportion of the adult population in the region with an aspiration to start a business within the next three years (8.6%) is extremely low, by far the lowest across all the regions (Table 2.9).

It is estimated that approximately 350 individuals are setting up new businesses every month in the South West region.

The rate of male *early stage entrepreneurs* (8.6%) is by far the lowest across the regions. In contrast the rate of female *early stage entrepreneurs* (5.7%) is more at the norm. Accordingly, there is a relatively narrow gender gap between *early stage entrepreneurs* (1.5:1) in the region. This is not a cause for celebration, however, as it is

brought about primarily by the very low rate of involvement in early stage entrepreneurial activity by men.

The cultural and social norms in the South West region reflect the high esteem with which Irish people regard successful entrepreneurs and note the media's generally positive reporting of them and their activities. The responses by individuals in this region are broadly of the national norm. The personal context of individuals is also similarly positive.

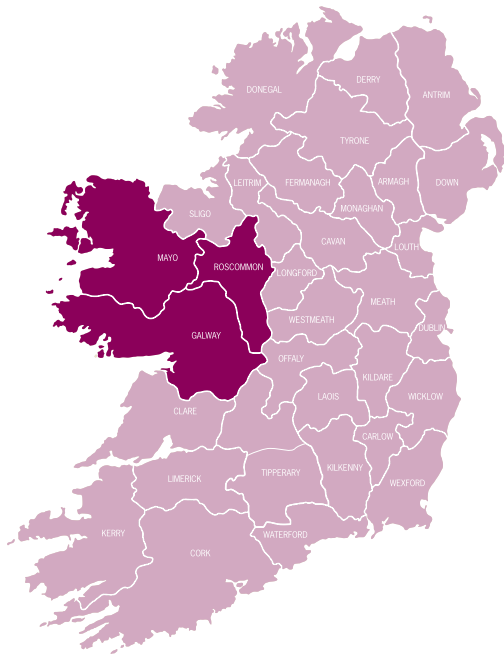
The rate of informal investment in the region (3.1%) is among the highest in the country.³¹

TABLE 2.9: SOUTH WEST REGION

	Percentage of all adults
Entrepreneurial Activity	
- Nascent entrepreneurs	4.1%
- New firm entrepreneurs	3.3%
- Total early stage entrepreneurs (TEA)	7.2%
- Expect to start a business in the next three years	8.6%
Gender	
- Early Stage entrepreneurial activity - Men	8.6%
- Early Stage entrepreneurial activity - Women	5.7%
The Cultural Context for Entrepreneurship	
- Entrepreneurship considered a good career choice	64%
- Successful entrepreneurs are held in high regard	80%
- Positive media coverage of successful entrepreneurs	76%
The Personal Context for Entrepreneurship	
- Know a recent entrepreneur	37%
- Have the knowledge and skills to start a business	49%
- Good opportunities	42%
- 'Fear of failure' prevent you starting a business	37%
Informal Investors	
- Invested in someone else's business in the last 3 years	3.1%



³¹ Only in the West region is there a higher rate (3.2%) of informal investors.



2.3.8 The West Region

The three counties of the West region, Galway, Mayo and Roscommon, have a population of over 414,000 having grown by almost 9% between 2002 and 2006.

The West region is highly entrepreneurial with a very high rate of *established entrepreneurs* and a relatively high rate of *early stage* entrepreneurial activity (10.0%), the second highest across the regions (Table 2.10).

The aspiration to start a business in the next three years is, however, more at the national average. There is evidence to suggest that relative to other regions a high proportion of the entrepreneurs in the West region have high growth expectations and expect to have significant exports.

It is estimated that 350 individuals are setting up new businesses in the West region every month.

The West region has a very high proportion of men (13.2%) and women (6.5%) that are *early stage entrepreneurs*. In both cases this is above the norm across the regions. Accordingly the relatively narrow gender gap between men and women *early stage entrepreneurs* (2:1) is for all the right reasons.

A higher proportion of individuals in the West region knows a recent entrepreneur (43%) than is the case in any of the other regions. Perhaps reflecting the connectedness of the society in this region,

fear of failure would inhibit a higher proportion from engaging in entrepreneurial activity (40%) than is the case in any other region.

In general, individuals in the West region are very supportive of entrepreneurs and cultural and social norms are very positive.

The rate of informal investment (3.2%) is very high in the West region, the highest of all the regions.

TABLE 2.10: WEST REGION

Entrepreneurial Activity	Percentage of all adults
- Nascent entrepreneurs	5.4%
- New firm entrepreneurs	4.9%
- Total early stage entrepreneurs (TEA)	10.0%
- Expect to start a business in the next three years	10.5%

Gender

- Early Stage entrepreneurial activity - Men	13.2%
- Early Stage entrepreneurial activity - Women	6.5%

The Cultural Context for Entrepreneurship

- Entrepreneurship considered a good career choice	62%
- Successful entrepreneurs are held in high regard	83%
- Positive media coverage of successful entrepreneurs	76%

The Personal Context for Entrepreneurship

- Know a recent entrepreneur	43%
- Have the knowledge and skills to start a business	49%
- Good opportunities to start a business	43%
- 'Fear of failure' prevent you starting a business	40%

Informal Investors

- Invested in someone else's business in the last 3 years	3.2%
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SECTION 3

NARROWING THE GENDER DIVIDE - A CHALLENGE STILL TO BE TACKLED

3.1 THE ENTREPRENEURIAL GENDER DIVIDE

Ireland is no different to other developed countries in that men are more likely to be entrepreneurs than are women. Across the OECD and the EU there are two men *early stage entrepreneurs* for every one woman *early stage entrepreneur* (1.9:1 and 2:1 respectively). (Table 3.13 at end of section)

In 2007 the Irish GEM report noted a decided narrowing between the rate at which men and women were active as *early stage entrepreneurs*, with men for the first time less than twice as likely to be an early stage entrepreneur relative to women (1.8). This was very much welcomed, reflecting as it did policy and actions to encourage more women to engage in entrepreneurial activity. This narrowing of the gender gap has not been sustained in 2008. More men were involved in early stage entrepreneurial activity (11.2%) and fewer women (4.0%) than was the case in 2007 (10.6% and 5.9% respectively). As a result in 2008 a man was almost three times more likely to be involved in entrepreneurial activity than was a woman (2.8:1). Accordingly, in 2008, Ireland has a wider gender divide among *early stage entrepreneurs* than is the norm across the OECD (1.9:1) or the EU (2.0:1) and is twice as wide as in the United States (1.4:1). (Table 3.13 at end of section)

The differences in the rate at which men and women are *early stage entrepreneurs* represent the greatest gender divide in Ireland in the last five years (Table 3.1).

The rate at which men are *early stage entrepreneurs* in Ireland (11.2%) is at the top end of the developed countries and compares relatively well with Iceland (12.9%), the US (12.7%) and Norway (12.1%). It is well above the EU (7.8%) and OECD (9.3%) averages.

The rate at which women in Ireland are active as *early stage entrepreneurs* (4.0%) while at the EU average (3.9%) is below the OECD average (4.8%) and at less than half the rate prevalent within the United States (8.8%). It is also well below the rate in Iceland (7.2%) and in Norway (5.2%). (Table 3.13 at end of section)

3.2 REGIONAL DIFFERENCES IN EARLY STAGE ENTREPRENEURS

Over the five year period 2004 to 2008 the average rate at which men were *early stage entrepreneurs* was 11.4%, while for women it was 4.9%. This provides an important benchmark when considering the rate of entrepreneurial activity for both men and women across the regions during this period.

There is quite a difference in the rate of early stage entrepreneurial activity among men and among women across the regions, when viewed across a five year time frame. While in all regions men have had a higher rate of early stage entrepreneurial activity than women, the rate among men has varied from a high of 15.5% in the South East region to a low of 8.6% in the South West region. The rate of early stage entrepreneurial activity among women has also varied but to a lesser extent

TABLE 3.1: IRELAND'S EARLY STAGE ENTREPRENEURIAL ACTIVITY BY GENDER FROM 2004 TO 2008

Year	Early stage entrepreneurs	Men early stage entrepreneurs	Women early stage entrepreneurs	Rates as ratios (men/women) ³²
2008	7.6%	11.2%	4.0%	2.8
2007	8.2%	10.6%	5.9%	1.8
2006	7.4%	10.5%	4.2%	2.5
2005	9.8%	14.2%	5.5%	2.6
2004	7.7%	10.4%	5.0%	2.1

³² The number of times a man is more likely to be an early stage entrepreneur relative to a woman.



TABLE 3.2: IRELAND'S EARLY STAGE ENTREPRENEURIAL ACTIVITY BY GENDER BY REGION (2004-2008)

Region	Early stage entrepreneurs	Men early stage entrepreneurs	Women early stage entrepreneurs	Rates as a ratio (men:women) ³³
	Percentage of all adults	Percentage of all adults	Percentage of all adults	
Border	7.9%	10.3%	5.4%	1.9:1
Dublin	7.2%	11.4%	3.3%	3.5:1
Mid-East	9.5%	14.4%	4.7%	3.1:1
Midlands	9.1%	11.0%	7.2%	1.5:1
Mid-West	7.2%	11.6%	3.2%	3.6:1
South East	10.7%	15.5%	6.1%	2.5:1
South West	7.2%	8.6%	5.7%	1.5:1
West	10.0%	13.2%	6.5%	2.0:1

between a high in the Midlands of 7.2% and a low of 3.2% in the Mid-West. Accordingly, the entrepreneurial gender divide has varied from a high of 3.6:1 in the Mid-West to 1.5:1 in the Midlands and the South West. (Table 3.2)

3.3 REASONS FOR THE DECREASE IN WOMEN EARLY STAGE ENTREPRENEURS IN 2008

Women are more risk adverse than men with 42% of women reporting that fear of failure would inhibit their starting a new business, compared to 34% of men. In the current economic climate the fear of failure may be more of a deterrent than it would otherwise be in a more stable and positive environment. The rate of fear of failure among men and women in Ireland is similar to that across the OECD and slightly lower than is the norm across the EU. (Table 3.14 at end of this section)

It is more difficult for both men and women in Ireland to see opportunities for new enterprises in the current environment and both are showing a significant decline on the 2007 levels (25% and 28% respectively compared with 50% and 42% in 2007). Moreover with the decline in perception of entrepreneurial opportunities by women in Ireland, the rate is now at the average of women across the OECD and EU (Table 3.14 at end of section), whereas in 2007, it was seven percentage points higher.

Previous GEM research has shown that women in Ireland are much more influenced than men in terms of their likelihood to be *early stage entrepreneurs* by the degree to which they perceive local opportunities for commercial exploitation.³⁴ The significant

decline in their perception of opportunities may therefore be expected to have a particularly severe impact on their early stage entrepreneurial activity.

Almost one in three of the businesses (30%) being set up by women is in the retail, hotel and restaurant sector. This sector is being particularly badly hit by the fall in consumer spending and the outlook for businesses in this sector is fairly bleak at present. Accordingly, the rate of women *early stage entrepreneurs* may continue to fall in the present environment.

3.4 ESTABLISHED ENTREPRENEURS BY GENDER

Similar to the case for *early stage entrepreneurs*, men are more likely to be *established entrepreneurs* than are women. Ireland is no different to other developed countries in this respect. Across the OECD and the EU there are slightly more than two men who are *established entrepreneurs* for every one woman *established entrepreneur* (2.3:1 and 2.2:1 respectively). This represents a slightly wider gender gap than is the case for *early stage entrepreneurs*.

In Ireland, with a rate of men as *established entrepreneurs* (12.7%) and the women's rate of 5.4%, the ratio of men to women's established businesses is 2.4:1, which is very much at the OECD norm and slightly ahead of the EU average. Given the decrease in women's early stage entrepreneurial activity in Ireland in 2008, women in Ireland are now more prevalent as longer established owner managers (5.4%) than they were as *early*

³³ The number of times a man is more likely to be an early stage entrepreneur relative to a woman.

³⁴ Quoted in Towards Developing an Entrepreneurship Policy for Ireland, Forfás, September 2007, Section 5, Encouraging Entrepreneurial Activity among Underrepresented Groups.

TABLE 3.3: IRELAND'S ESTABLISHED ENTREPRENEURS BY GENDER FROM 2004 TO 2008

Year	Established entrepreneurs	Men established entrepreneurs	Women established entrepreneurs	Rate as a ratio (men:women) ³⁵
	Percentage of all adults	As a percentage of all men	As a percentage of all women	
2008	9.0%	12.7%	5.4%	2.4:1
2007	9.0%	12.7%	5.4%	2.4:1
2006	7.8%	12.2%	3.4%	3.6:1
2005	8.1%	12.3%	3.9%	3.2:1
2004	6.5%	8.2%	4.8%	1.7:1

stage entrepreneurs (4.0%). This higher rate of women *established entrepreneurs* (5.4%) is well ahead of the average across the OECD (4.3%) and EU (3.7%). (Table 3.15 at end of section)

The rate of established businesses and men and women's involvement in them has remained the same in 2008 as in 2007. (Table 3.3)

Over the five year period 2004 to 2008 for the country as a whole, the average rate at which men were *established entrepreneurs* was 11.6% and women 4.6%. Accordingly, over this period the ratio of men to women *established entrepreneurs* was 2.5:1. This provides an important benchmark when considering the rates of entrepreneurs activity for both men and women across the regions.

Similar to the case with *early stage entrepreneurs*, there is quite a difference in the rate of *established entrepreneurs* between men and among women across the regions. While in all regions men have had a higher

rate of established entrepreneurial activity than women, the rate among men has varied from a high of 15.2% in the West region to a low of 8.5% in the Dublin region. The rate of *established entrepreneurs* among women also varies but to a lesser extent between a high in the Mid West of 6.1% and a low of 3.2% in the Dublin region. Accordingly, the entrepreneurial gender divide has varied from a high of 3.1:1 in the Mid East to 2:1 in the Mid West. (Table 3.4)

3.5 SIMILARITIES BETWEEN MEN AND WOMEN ENTREPRENEURS

The average age at which men (36) and women (39) are active as *early stage entrepreneurs* is not significantly different and reflects the fact that the great majority of *early stage entrepreneurs* are in their mid twenties to their mid forties. (Table 3.5)

For both men and women, approximately one in four adults (26%) in Ireland has participated in some type of training or education in starting a business (Table 3.16 at end of section).

TABLE 3.4: IRELAND'S RATE OF ESTABLISHED ENTREPRENEURS BY GENDER BY REGION (2004-2008)

Region	Established entrepreneurs	Men established entrepreneurs	Women established entrepreneurs	Rate as a ratio (men:women) ³⁶
	Percentage of all adults	As a percentage of all men	As a percentage of all women	
Border	9.2%	12.4%	5.6%	2.2:1
Dublin	5.6%	8.5%	3.2%	2.7:1
Mid East	7.1%	11.3%	3.6%	3.1:1
Midlands	9.8%	13.0%	4.9%	2.7:1
Mid West	9.6%	12.6%	6.1%	2.1:1
South East	9.3%	13.0%	4.8%	2.7:1
South West	10.7%	14.4%	5.8%	2.5:1
West	11.5%	15.2%	5.5%	2.8:1

³⁵ The number of times a man is more likely to be an established entrepreneur relative to a woman.

³⁶ The number of times a man is more likely to be an established entrepreneur relative to a woman.





TABLE 3.5: AGE PROFILE OF EARLY STAGE ENTREPRENEURS BY GENDER (2004-2008)

Age	Men Entrepreneurs	Women Entrepreneurs
18 to 24 years	14%	9%
25 to 34 years	36%	34%
35 to 44 years	27%	29%
45 to 54 years	18%	19%
55 to 64 years	5%	9%

3.6 DIFFERENCES BETWEEN MEN AND WOMEN ENTREPRENEURS

Examining the likely reasons behind the fall in the rate of women *early stage entrepreneurs* in 2008, it was noted that women in Ireland are more risk adverse than men with a higher percentage reporting that they would be inhibited by a fear of failure from starting a new business. It was also noted that women are more influenced by their perception of opportunity in their local environment than are men.

There is also a significantly different sectoral focus in the type of business that men and women are starting.

As noted earlier almost one in three of the businesses (30%) being set up by women is in the retail, hotel and restaurant sector. Early stage men entrepreneurs are focused to a much greater degree on the business services sector (27%) than are women (19%), although this is an important focus for each. More men than women *early stage entrepreneurs* are focused on the construction sector (16%) (Table 3.6).

The different sectoral focus of their new businesses may be explained by the fact that 88% of women in Ireland are employed in the services sector compared to 54% of men, and 10% of women are in manufacturing or construction compared to 37% of men.³⁷ These are very significant differences.

Another significant difference between men and women entrepreneurs is their educational background. While the majority of men and women that are entrepreneurs have third level education, a greater proportion of women entrepreneurs (77%) have third level or higher education compared to men entrepreneurs (64%). This is a significant difference. (Table 3.7)

A smaller proportion of women (40%) than men (55%) in Ireland believe that they have the skills, knowledge and experience to successfully start-up and run a new business, despite their higher education attainment levels. Earlier GEM research has shown that men who believe they have the knowledge and skills to start a business are nearly four times more likely to be entrepreneurially

TABLE 3.6: SECTORAL FOCUS OF EARLY STAGE ENTREPRENEURS (2004 – 2008)

Sector	Men entrepreneurs	Women entrepreneurs
Agriculture, Forestry, Hunting, Fishing	7%	4%
Mining, Construction	16%	3%
Manufacturing	8%	8%
Utilities Transport, Storage, Communications	7%	2%
Wholesale Trade	5%	2%
Retail Trade, Hotels, and Restaurants	15%	30%
Financial Intermediation, Real Estate Activities	6%	3%
Business Services	27%	19%
Government , Health, Education, Social Services	4%	16%
Personal/Consumer Services Activities	5%	13%
All Sectors	100%	100%

³⁷ Source CSO Quarterly National Household Survey Q3 2008, Table 2a

TABLE 3.7: HIGHEST EDUCATIONAL AT ATTAINMENT LEVEL OF EARLY STAGE ENTREPRENEURS BY GENDER (2004-2008)

Education	Men Entrepreneurs	Women Entrepreneurs
Primary and/or some secondary	14%	4%
Secondary (Leaving Cert or equivalent)	22%	19%
Third Level (degree, diploma or certificate)	38%	37%
Postgraduate	26%	40%

active. For women, no entrepreneurial activity is evident among women who believe that they do not have the knowledge and skills to start a new business.³⁸ Accordingly, increasing the proportion of women with self belief in their entrepreneurial capacity is a prerequisite for their greater participation in entrepreneurial activity.

It should be noted, however, that men and women in Ireland have a higher belief in their own knowledge and skills in this area than is the norm across the OECD and EU (Table 3.14 at end of section).

For the most part men and women *early stage entrepreneurs* are coming from full time work. A much higher proportion of women, however, are coming from part time work or from full time home duties than is the case for men. (Table 3.8)

TABLE 3.8: WORK STATUS OF EARLY STAGE ENTREPRENEURS IN IRELAND BY GENDER (2004-2008)

Work status	Men Entrepreneurs	Women Entrepreneurs
Full time	88%	71%
Part time	6%	14%
Home Maker	0%	5%
Not Working	6%	10%

The estimated total finance required is more for a new business started by a man than it is for one started by a woman. Men expect to be in a position to be able to find more of the seed investment from their own resources than do women (Table 3.9).

The majority of *early stage entrepreneurs* (74%) expect that their new business will require less than €100,000 to get it started. Focusing

TABLE 3.9: PLANNED FINANCIAL REQUIREMENTS AND INVESTMENTS OF EARLY STAGE ENTREPRENEURS BY GENDER (2004-2008)

	Men Entrepreneurs	Women Entrepreneurs
Estimated total finance required (median)	€30,000	€20,000
Estimated total finance required (mean)	€272,000	€209,000
Planned own finance invested (median)	€13,000	€6,000
Planned own finance invested (mean)	€117,900	€33,200

on this cohort of entrepreneurs, the amounts required to start their new businesses are relatively small. Men estimate that they will need twice the estimated total finance to start their new business as do women. For their part, men expect to invest twice the amount of their own money in the new enterprise. (Table 3.10)

TABLE 3.10: EARLY STAGE ENTREPRENEURS PLANNING TO INVEST LESS THAN €100,000 BY GENDER (2004-2008)

	Men Entrepreneurs	Women Entrepreneurs
Estimated total finance required (median)	€20,000	€10,000
Estimated total finance required (mean)	€22,900	€18,400
Planned own finance invested (median)	€10,000	€5,000
Planned own finance invested (mean)	€16,800	€10,500

3.7 DIFFERENCES IN HIGH GROWTH EXPECTATION

All new businesses are not the same. They differ in the growth ambitions of the entrepreneurs, their degree of innovativeness and their international focus.

The majority of entrepreneurs, both men and women, expect that their new business will remain small. Most, however, expect to become employers. The employment impact of these new enterprises is significant when taken together.

The impact of the small number of enterprises that achieve significant growth is very substantial and for this reason those



³⁸ Quoted in Towards Developing an Entrepreneurship Policy for Ireland, Forfás, September 2007, Section 5, Encouraging Entrepreneurial Activity among Underrepresented Groups, page 62

³⁹ The high average (mean) planned investment reflects a small number of entrepreneurs planning new ventures with very high amounts of initial investments. If those with a planning investment need of more than €1 million are excluded, average (mean) would fall by 57% to €116,000 for men and by 70% to €63,000 for women.



entrepreneurs with an aspiration for growth are those that should receive the greatest support to assist them in achieving their growth goals. As the EU Action Plan stated: *entrepreneurial growth rarely happens accidentally: an explicit growth orientation, first and foremost a mindset is needed.*⁴⁰

When one considers the growth aspirations of men and women *early stage entrepreneurs*, it is clear that one third (33%) of women *early stage entrepreneurs* are content merely to create a job for themselves with no ambition to become an employer. The proportion of *early stage entrepreneurs* that are men who are merely creating a job for themselves, is much smaller (23%). (Table 3.11)

TABLE 3.11: THE GROWTH EXPECTATIONS OF MEN AND WOMEN ENTREPRENEURS (2004-2008)

	Men Entrepreneurs	Women Entrepreneurs
Growth Expectations (Jobs in five years)		
No Jobs	23%	33%
1 to 5 jobs	40%	38%
6 to 19 jobs	20%	20%
20 or more jobs	17%	9%

Focusing on those that expect to become an employer, a similar proportion of men and women expect to have micro businesses and to employ between 1 and 19 people.

There is almost double the percentage of men (17%) as there are women (9%) *early stage entrepreneurs* with significant growth ambitions, expressed as those expecting to employ twenty or more in the next five years. These rates are broadly similar to 2007.

Focusing on *new firm entrepreneurs*, that is those who have actually set up new businesses, it was reported earlier that of the 2,800 setting up new businesses each month approximately 500 are *high expectation entrepreneurs*, that is they expect to employ 20 within five years. Of these it is estimated that 430 are men and 70 are women. This is a six fold difference. It reflects the higher number of male entrepreneurs and the greater proportion of this higher number that have significant growth ambitions. This is a very significant difference.

There is much less of a difference between

men and women *early stage entrepreneurs* in terms of their international orientation with the majority expecting to have some exports. Men and women *early stage entrepreneurs* (23% and 21% respectively) expect to have more than 25% of their customers in overseas markets. (Table 3.12)

TABLE 3.12: THE EXPORT ORIENTATION OF MEN AND WOMEN ENTREPRENEURS (2004-2008)

	Men Entrepreneurs	Women Entrepreneurs
Customers in Overseas Markets		
None	46%	42%
1% to 24%	31%	37%
25% to 74%	12%	14%
75% to 100%	11%	7%

3.8 THE CHALLENGE

In seeking to narrow the entrepreneurial gap between men and women in Ireland there is little point in achieving this objective through a smaller proportion of men becoming active as entrepreneurs, as it is the high level of entrepreneurship by men that drives entrepreneurship in Ireland and positions Ireland to the fore among European countries in this regard.

The challenge is to maintain a high level of men becoming involved in entrepreneurial activity while encouraging an increased involvement by women. From a regional perspective, there are clearly regions that are performing less well in terms of the rate of engagement of men and women in entrepreneurial activity.

It would be short sighted, however, to merely focus on the number of men and women who are *early stage entrepreneurs*. There is a need to also focus on the innovation and growth inherent in their new businesses. With a greater focus on growth, the economic impact of men and women's new enterprises is greatly increased. It is clear that the challenge to have more women entrepreneurs aim for and achieve significant growth in their new businesses is not an insignificant one. Hence the policy focus must not be only on increasing the number of women active as entrepreneurs, but on increasing the proportion of these that are innovative, have growth ambitions and are internationally focused in the medium term.

⁴⁰ Action Plan: The European Agenda for Entrepreneurship, Commission of the European Communities, February 2004

TABLE 3.13: EARLY STAGE ENTREPRENEURS BY GENDER: OECD AND EU

	Early stage entrepreneurs Percentage in adult population	Men early stage entrepreneurs Percentage in male adult population	Women early stage entrepreneurs Percentage in female adult population	Rate as a ratio (men:women) ⁴¹
Belgium ^{1 2 3}	2.9	4.0	1.7	2.4:1
Denmark ^{1 2 3}	4.4	6.1	2.8	2.2:1
Finland ^{1 2 3}	7.3	10.1	4.5	2.2:1
France ^{1 2 3}	5.6	8.0	3.3	2.5:1
Germany ^{1 2 3}	3.8	4.1	3.4	1.2:1
Greece ^{1 2 3}	9.9	12.1	7.7	1.6:1
Hungary ^{1 3}	6.6	8.0	5.3	1.5:1
Iceland ¹	10.1	12.9	7.2	1.8:1
Ireland^{1 2 3}	7.6	11.2	4.0	2.8:1
Italy ^{1 2 3}	4.6	6.4	2.8	2.3:1
Japan ¹	5.4	7.8	3.0	2.6:1
Korea- South ¹	10.0	14.8	5.0	3.0:1
Latvia ³	6.5	9.6	3.7	2.6:1
Mexico ¹	13.1	14.4	11.9	1.2:1
Netherlands ^{1 2 3}	5.2	7.1	3.3	2.1:1
Norway ¹	8.7	12.1	5.2	2.3:1
Romania ³	4.0	5.9	2.1	2.8:1
Slovenia ³	6.4	8.8	4.0	2.2:1
Spain ^{1 2 3}	7.0	8.1	6.0	1.4:1
Turkey ¹	6.0	9.4	2.4	3.8:1
UK ^{1 2 3}	5.9	8.1	3.7	2.2:1
US ¹	10.8	12.7	8.8	1.4:1
EU-15 average	5.8	7.7	3.9	2.0:1
EU-27 average	5.9	7.8	3.9	2.0:1
OECD average	7.1	9.3	4.8	1.9:1

⁴¹ The number of times a man is more likely to be an established entrepreneur relative to a woman.




TABLE 3.14: PERSONAL CONTEXT OF POPULATION BY GENDER: OECD AND EU

	KNOW A RECENT ENTREPRENEUR % RESPONDING YES		OPPORTUNITIES IN LOCAL AREA % RESPONDING YES		SKILLS AND KNOWLEDGE TO STARTUP % RESPONDING YES		FEAR OF FAILURE PREVENT STARTUP % RESPONDING YES	
	as a percentage of all men in adult population	as a percentage of all women in adult population	as a percentage of all men in adult population	as a percentage of all women in adult population	as a percentage of all men in adult population	as a percentage of all women in adult population	as a percentage of all men in adult population	as a percentage of all women in adult population
Belgium ^{1 2 3}	35	24	19	9	48	25	25	27
Denmark ^{1 2 3}	48	40	63	61	42	24	41	45
Finland ^{1 2 3}	56	44	52	48	47	31	24	37
France ^{1 2 3}	38	28	25	19	33	17	45	55
Germany ^{1 2 3}	34	28	30	18	39	31	41	56
Greece ^{1 2 3}	45	35	30	26	66	46	50	62
Hungary ^{1 3}	31	29	19	18	55	41	38	47
Iceland ¹	72	57	42	32	67	37	33	38
Ireland^{1 2 3}	41	34	25	28	55	40	34	42
Italy ^{1 2 3}	36	28	31	28	46	34	45	54
Japan ¹	29	17	7	8	20	5	41	40
Korea- South ¹	45	30	18	11	42	18	28	38
Latvia ³	38	33	20	24	33	25	33	39
Mexico ¹	52	54	47	48	62	57	29	30
Netherlands ^{1 2 3}	44	26	43	36	49	27	25	27
Norway ¹	46	31	41	36	51	30	22	24
Romania ³	43	33	29	23	32	16	38	45
Slovenia ³	62	45	49	39	61	40	29	35
Spain ^{1 2 3}	40	35	28	23	49	44	50	53
Turkey ¹	41	21	40	31	62	35	31	39
UK ^{1 2 3}	31	21	34	26	60	39	34	39
US ¹	41	34	41	32	65	46	27	30
EU-15 average	41	31	34	29	49	32	38	45
EU-27 average	42	32	33	28	48	32	37	44
OECD average	42	32	33	28	50	33	35	41

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

TABLE 3.15: ESTABLISHED ENTREPRENEURS BY GENDER: OECD AND EU

	Established entrepreneurs Percentage in adult population	Men established entrepreneurs Percentage in male adult population	Women established entrepreneurs Percentage in female adult population	Rate as a ratio (men:women)
Belgium ^{1 2 3}	2.6	3.9	1.3	2.9:1
Denmark ^{1 2 3}	4.4	5.5	3.2	1.7:1
Finland ^{1 2 3}	9.2	13.2	5.1	2.6:1
France ^{1 2 3}	2.8	4.2	1.4	3.0:1
Germany ^{1 2 3}	4.0	5.5	2.5	2.2:1
Greece ^{1 2 3}	12.6	17.6	7.7	2.3:1
Hungary ^{1 3}	5.3	7.5	3.3	2.3:1
Iceland ¹	7.1	9.5	4.7	2.0:1
Ireland^{1 2 3}	9.0	12.7	5.4	2.4:1
Italy ^{1 2 3}	6.5	9.2	3.7	2.5:1
Japan ¹	7.9	11.8	3.9	3.0:1
Korea- South ¹	12.8	19.0	6.5	2.9:1
Latvia ³	3.0	4.4	1.6	2.7:1
Mexico ¹	4.9	5.6	4.4	1.3:1
Netherlands ^{1 2 3}	7.2	9.1	5.2	1.8:1
Norway ¹	7.7	10.7	4.6	2.4:1
Romania ³	2.1	2.9	1.2	2.4:1
Slovenia ³	5.6	7.8	3.3	2.3:1
Spain ^{1 2 3}	9.1	10.7	7.4	1.4:1
Turkey ¹	4.8	8.3	1.2	6.9:1
UK ^{1 2 3}	6.0	8.6	3.4	2.5:1
US ¹	8.3	10.3	6.4	1.6:1
EU-15 average	6.7	9.1	4.2	2.2:1
EU-27 average	6.0	8.2	3.7	2.2:1
OECD average	7.0	9.6	4.3	2.3:1

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27



⁴² The number of times a man is more likely to be an established entrepreneur relative to a woman.



TABLE 3.16: TRAINING AND EDUCATION IN STARTING A BUSINESS BY GENDER: OECD AND EU

	Early stage entrepreneurs	Any types of training and education in starting a business	Men with any type of training and education in starting a business	Women with any type of training and education in starting a business
	Percentage in adult population	Percentage in adult population	Percentage of all adult men	Percentage of all adult women
Belgium ^{1 2 3}	2.9	33	39	28
Denmark ^{1 2 3}	4.4	22	26	19
Finland ^{1 2 3}	7.3	48	49	47
France ^{1 2 3}	5.6	18	24	12
Germany ^{1 2 3}	3.8	21	25	17
Greece ^{1 2 3}	9.9	17	21	13
Hungary ^{1 3}	6.6	24	23	26
Iceland ¹	10.1	27	29	25
Ireland^{1 2 3}	7.6	26	27	25
Italy ^{1 2 3}	4.6	17	18	15
Japan ¹	5.4	17	21	14
Korea- South ¹	10.0	14	16	11
Latvia ³	6.5	28	26	30
Mexico ¹	13.1	15	17	14
Netherlands ^{1 2 3}	5.2	n/a	n/a	n/a
Norway ¹	8.7	n/a	n/a	n/a
Romania ³	4.0	8	9	7
Slovenia ³	6.4	36	37	34
Spain ^{1 2 3}	7.0	22	23	21
Turkey ¹	6.0	6	8	5
UK ^{1 2 3}	5.9	19	23	16
US ¹	10.8	n/a	n/a	n/a
EU-15 average	5.8	24	28	21
EU-27 average	5.9	24	26	22
OECD average	7.1	22	24	19

¹ Member of OECD

² Member of European Union - EU 15

³ Member of European Union - EU 27

SECTION 4

FEATURED ENTREPRENEURS

4.1 INTRODUCTION

In 2005 we decided to introduce the faces of some recent entrepreneurs on the cover of the GEM report and to tell their stories. We took this initiative, and are the only GEM country to have done so, to emphasise the fact that entrepreneurs are individuals not statistics.

This may appear self evident but we considered that in a publication that reports on entrepreneurship in terms of numbers and statistics that this was a very important point to make. Moreover, we have learnt that GEM reports are being used increasingly within third level colleges and that more and more students are getting to read the report. With this in mind and conscious of the powerful effect of role models, we decided, with the support of our sponsors, to include recent entrepreneurs once again in the latest report.

Each of the entrepreneurs featured set up a new business in 2005 or more recently and so comes within the GEM definition of *new firm entrepreneurs*. As this report relates there are 117,500 individuals like these who have set up new business between 2005 and mid 2008.

As always, each has an interesting story to tell. They come from different backgrounds and are setting up different types of new businesses. Yet they have much in common. They are optimistic, hard working, persistent and excited by a challenge. They all absolutely believe in their new venture and are convinced that it will be successful. Each of

them emphasises the personal satisfaction and strong motivation that continues to drive them and which sustains them through the long hours that are associated with starting a new business.

We very much enjoyed hearing these stories and writing them up. We thank the entrepreneurs for sharing their stories with us and wish them every success as they move from start-up to development and growth.

The *new firm entrepreneurs* featured in the 2008 GEM report are as follows:

- Barry Smyth
- Barry Usher
- Claire McDonough
- Deirdre Walsh
- John Lynch
- Karen Morgan
- Marco Giannantonio
- Mark Duckenfield
- Michelle Lynch
- Paul McNulty
- Rose Quilter
- Tara Dalton





4.2 PROFILES OF RECENT ENTREPRENEURS

BARRY SMYTH

The first thing that strikes you about Barry Smyth is his enthusiasm and his enjoyment in what he does. *I am very fortunate to have a job that I love. I wake up every morning looking forward to the day ahead and this makes all the difference.*

Professor Barry Smyth holds the Digital Chair of Computer Science in UCD. He is the Director of CLARITY, The Centre for Sensor Web Technologies, a Science Foundation Ireland (SFI) funded CSET (Centre for Science and Engineering Technologies) and is a former Head of UCD's School of Computer Science and Informatics. He is also a Fellow of the European Co-ordinating Committee for Artificial Intelligence.

But Barry is also very much an entrepreneur... in fact a serial entrepreneur, as the first venture in which he was involved, ChangingWorlds (www.changingworlds.com), has been acquired and a second venture recently launched, Heystaks (www.heystaks.com). He is excited both by the science and by the possibilities of what can be done with it. These possibilities are best explored by commercialising the research.

Barry had all the marks of a scientist from a very early age with a great curiosity as to how things worked. *I had one of the very early home computers back in the early 1980s, one you plugged into your TV. Before school each day I spent time trying to write simple programmes for it. It was the classic example of learning through playing.*

Barry completed a science degree in UCD in 1991. Computer Science was a part of that degree programme and caught Barry's imagination from the outset. *I enjoyed the immediacy of computer science and took great pleasure in seeing instant results. This was very much in contrast with the wait-and-see nature of other sciences.*

At that time, there were few funded PhDs available and Barry took a job with Hitachi in Trinity College as a research scientist which would allow him to complete a part time PhD while drawing a salary and gaining industrial experience while working on Japanese sponsored projects. *The perspective that I gained during this period I now regard as very influential in shaping the distinctive*

way I look at research. To me the ultimate evaluation of the research is whether it will be useful to someone down the line. I see a clear need to demonstrate that it will have value to users in the real world. This approach gives me a commercial nose but it also informs my scientific research. It allows me to carry out trials on a larger scale and over a longer timeframe than would otherwise be possible, and it exposes me to new problems and questions. In this way it is a real win:win.

Having completed his PhD in 1996, Barry returned to UCD as a Junior Lecturer, excited by the possibilities of the World Wide Web and the consumer possibilities just beginning to open up. Not quite sure how he would do it, Barry was nonetheless determined to build a research group inspired by his vision of a dedication to basic research which would lead to real differences.

One of his earliest PhD students, Paul Cotter, was researching personalisation technologies for the web under Barry's supervision. For this as for other projects Barry encouraged that a demonstration project be built. Personalised guides to TV viewing, tailored to the interests of the individual, saved people the bother of deciphering increasingly lengthy programme guides to find those programmes that they might want to watch. In the late 1990s they put the guide out on the web and individuals started registering as users. The Irish Times did an article on the innovation and the usage and registration greatly increased as a result.

We sat down one day and began to bounce around the idea as to whether there was a business in this. We decided to give it a try. Initially working part time on this together we fairly quickly had some serious customers, Ireland.com and the Independent News and Media Group.

Barry presented at the First Tuesday meetings to attract in VC investment to fund the initial growth. Trinity Venture Capital and Flanders based Language Valley Fund were among the early investors. *I always stayed involved in the business and UCD very much supported me, reducing my hours and allowing me to dedicate a large portion of time to act as Chief Technical Officer to the new enterprise. As it happened I spent a lot of my time in sales and marketing, which I very much enjoyed.*

Barry found that his scientific training could be applied to building a business, in particular to business modelling. He was aware,



however, from an early stage that they would need an experienced Managing Director who understood the management and financial side well and the cash flow challenges that a young and fast growing company would face. *I think a mistake that many founders make is the insistence on holding on to overall control and trying to do everything themselves. I always stayed involved ensuring that the strategic and technology framework was in place but realised the need to bring in external expertise. That decision certainly added to the success of ChangingWorlds.*

The company grew sensibly, having to weather the fallout from dot.com bubble and the realisation that their initial funding round would have to last longer than they had originally anticipated. The decision was made early on to focus on mobile technology rather than on TV, as the increase in mobile phones seemed to offer the greatest initial possibilities for the personalised technology. This decision proved to be wise. In the last ten years more than 60 mobile operators have signed up for ChangingWorlds' technology.

Having sold ChangingWorlds to the US technology group Amdocs late last year, Professor Barry Smyth had no intention of sitting on his laurels and as one venture was sold another, Heystaks, was being spun out from his research group with Peter Briggs and Maurice Coyle, both PhD graduates of Barry's. Heystaks is the latest venture - Barry is sure that there will be others. *UCD provides a fertile environment to develop new ventures out of research. I try to create a culture of innovation within my research group and*

several of the researchers in my group have a real entrepreneurial flair.

ChangingWorlds set up initially in the Campus Innovation Centre which has evolved over time into Nova UCD. *I believe that the quality of the Innovation Centre in Nova is unsurpassed in the way that it facilitates the commercialisation of research and the support of spin out companies. Fledgling companies get access to accommodation, signposting to the relevant people that a technology start-up needs to talk to, and a campus company development programme which provides a very valuable structure to develop the business plan.*

Barry Smyth sees the early support from Enterprise Ireland as important not only in terms of the initial support through CORD funding but also in terms of its assistance in developing an overseas marketing presence and in providing a platform at key trade fairs that a small company could not afford on its own. *This may appear simple in one sense but it creates huge opportunities and allows Irish companies to punch above their weight.*

I see my role as helping a new generation of researchers to recognise the scientific and business potential of their research. Of course there will be failures along the way. There are no guarantees. But failure drives success once you learn from it. I have learned this above all else in my scientific endeavours and it sustains me in my business ventures.

For more information on Barry Smyth's new business go to www.heystaks.com



BARRY USHER

Usher Aviation Ireland Ltd., an aircraft maintenance company, established in Sligo Regional Airport in September 2007 is the brainchild of Barry Usher. *The time is just right for this business, with new European regulations due to be implemented later this year, which will allow aircraft registered in one European country to be serviced and maintained in another. This opens up tremendous opportunities for us to service not only the Irish market but to look to Northern Ireland and further into the UK.*

Barry Usher does not come from a family of entrepreneurs and did not set out from the outset with an entrepreneurial career in mind. It was a passion for motor sport that first brought Barry to consider taking aeronautical engineering in University of Limerick and this was the first of several steps along the path that would eventually lead to the establishment of Usher Aviation Ireland Ltd.. *In the summer of my first year in college, I got a job near my home in County Longford at a local airfield in Abbeyshrule; I was given the opportunity to fly a light aircraft and I was hooked. My passion moved in that summer from motor sport to general aviation.*

As part of his degree course, Barry spent eight months working for the Customer Service Directorate of Airbus France in Toulouse. That gave him excellent exposure to customer service at the highest level and to the intricacies of the legal and regulatory framework surrounding aircraft maintenance and service.

When Barry graduated post 9/11 he was entering a very difficult period for the aviation industry and one in which there were few opportunities available for recent graduates. He decided to return to his previous summer time employer in Abbeyshrule and register as an apprentice mechanic. *The degree course itself gave me no qualification to repair aircraft and was not relevant to aircraft maintenance, so I had to start over as far as aircraft maintenance was concerned.*

Barry found that the apprenticeship passed very quickly and he decided to get a private pilot's licence to compliment it. He went to the US and got this within a month. *I then decided to review what I had achieved at that stage - a degree in aeronautical engineering, a licence as an aircraft mechanic and a private*

pilot's licence - to see how I could get the most from the qualifications that I had. Moreover just at that time the Irish Aviation Authority ran a seminar which announced details of the new European regulations which would open up the market for aircraft maintenance. Barry clearly saw the opportunities that were being presented through the introduction of the new regulations and considered that he was well positioned to make the most of these. In these circumstances the decision to set up an aircraft maintenance business was easily made. I talked openly with my employer, who had been very good to me, told him of my plans and left two months later to dedicate myself full time to setting up the new business.

In deciding on a location for the new business, Barry had to take into account the rental cost of hangers, as this would be one of the most significant costs for the new business. Rents on the East coast were prohibitive and so Barry decided to look elsewhere. Sligo had good access to the Northern Ireland market that he wished to target when the new regulations were introduced. It was also very competitive on price, as it was part of Sligo Regional Airport's strategy to attract an aircraft maintenance company to locate in the airport.

The initial start-up costs weren't overly excessive for tools and equipment and I kept everything very tight as I had no money myself to introduce to the business. Usher Aviation made very rapid progress and in a short time had been certified by three of the world's leading light aircraft manufacturers - Cessna, Cirrus and Piper - as an authorised service centre. This certification was a public endorsement that Usher Aviation was considered good enough by these leading aircraft manufacturers to be a service provider to their customers and equally importantly to carry out warranty work on their aircraft. Up to this point, owners were obliged to go to the UK to have warranty work carried out.

While the recession is affecting the helicopter industry badly, it does not appear to be affecting us at all. We are busier than ever. I already have four others employed and our focus is on building up our customer base. Our main challenge now is to manage our cash flow and concentrate on growing within our means.

Like other small companies, Usher Aviation found that in recent times additional bank



facilities were very difficult to obtain. We have actually turned this to our advantage as family has stepped in with loans to the business and we are watching every penny of this money to ensure that it is well spent. We might not have been as careful with somebody else's money!

Looking back, Barry admits that the business was probably undercapitalized from the outset. *We didn't anticipate the level and profile that we would reach at such an early stage and as a consequence did not anticipate the cost of getting here either. However, we now have a perfect platform to move the business forward. The grant support from Sligo County Enterprise Board has been invaluable*

and made it possible to get up and running in the first place. We may need to take other investors on board as we grow to achieve our ambitious plans but we will always be grateful to those who supported us at the beginning.

Barry Usher has no regrets about setting up his own business, despite the long hours. *Anyone considering becoming an entrepreneur would need to be prepared for the hard work involved, Barry cautions. You need to look deep inside yourself and be prepared to put in whatever effort it takes. It's not easy... but it's a very exciting and rewarding journey!*

For more information on Barry Usher's new business go to www.uai.ie



CLAIRE McDONOUGH

Claire McDonough is the proud owner of three related businesses centred on a new retail store, La Maison in Letterkenny, County Donegal.

It is somewhat unusual for someone from a local authority or public service background to become an entrepreneur but then again Claire McDonough came from a family of entrepreneurs *who talked about business morning, noon and night*. While she had been invited to join her father's construction business before it was sold within the family, the construction industry and dusty offices did not excite her and she would not have found it sufficiently creative.

She had grown up the eldest of six in Co. Donegal and unsure what direction she should pursue after school, studied history and geography in Maynooth and subsequently took a H Dip in Education. Believing that she did not have enough life experience to make a good teacher at just 21 years of age, she decided to take a different route and stayed on in Maynooth to study for a Masters in local and regional development.

She had a strong desire to return home to Co. Donegal and was delighted to land a job in Greencastle as a development officer for the local community. She became involved in several initiatives as part of that role, including the development of a local ferry. Simultaneously, she was involved in the Inishowen Partnership Company supporting enterprise initiatives for the area. From there she joined the new County Development Board as Community & Enterprise Development Officer, with responsibilities involving social inclusion and community enterprise. Although she very much enjoyed her time working for the development of her county, she still hankered for a more creative outlet for her talents and greater control over her work.

At this time her colleague, Anne Blake, shared many of these views and they began to plan a new business together. Invited as they were to numerous weddings, they never seemed to be able to find the perfect gift in the local shops. The idea dawned on the pair that this gap in the market could become the opportunity for a new business.

Claire and Anne told no one of their plans and

spent the next two years researching every aspect of the new business, working quietly away every weekend and every holiday. In the course of this research they visited 52 other shops nationwide and with each visit became clearer in their heads as to the look, feel and contents of their proposed new shop.

We received lots of help along the way. Although as a retail outlet we are not eligible for grants from our Donegal CEB, they gave us plenty of sound advice and made a mentor available to us. This was invaluable. In addition we have developed a great relationship with our bank, which has been very supportive. Simple things, such as using the Banking on Line system, have helped us run the business as efficiently as possible.

Claire and Anne got the seed money together for the new shop and then spent the next six months looking at and rejecting premises. Almost giving up hope that they would find something suitable, they finally leased 2,500 sq. feet premises on two floors in an area that was being redeveloped into what has become a new retail hub.

Their next challenge was to outfit the shop in a manner that would be easy on the eye and would display the various products to best effect. They finally were ready to open the doors. That was in August 2005.

Many customers have commented favourably on the unique look of the shop and Claire and Anne may consider franchising further down the road. *Our aim is to stock a great range of products and brands, but to have La Maison as **the** brand so that we are not tied in to stocking any one brand. Rather we want to be the destination of choice for anyone looking for a special gift or even a treat for themselves.*

From the outset the challenge was to offer the best products and service. To enhance the quality of service, Claire, Anne and one other member of staff trained as interior designers, which further developed their creative skills, and the wedding list service was provided online as well as in-store. *We are absolutely convinced of the merits of ecommerce as it extends our reach in a very efficient way. We are a very small business yet have to deal with 65 suppliers and customers throughout Ireland. Even our accountant is in Wexford! We find Skype and email fantastic and they greatly reduce our day to day running costs.*

La Maison has now been trading successfully



for over three years and has diversified from one retail outlet to include an online service and a design centre offering an interior design service and classes in interior design. Claire and Anne are currently finalising plans to open another 1,000 sq. feet such has been the demand for the various services offered. *The other facets of the business we are developing under the La Maison brand are allowing us to weather the downturn on the retail side while still being able to grow the business.*

Both Anne and I walked away from the security of paid employment. We have no regrets. Our quality of life has improved and we now have a creative outlet. The skills and knowledge that I acquired in working for the County Development Board has stood to me and it taught me the power of networks.

Clare and Anne's business partnership has been very successful. *We even planned our*

family to fit in around the business and to allow each of us to cover for the other. Ann now has Harry, a lively two year old and I have Grace, who is just nine months old. We now both work 4 days a week and it is working out very well for us.

Claire McDonough would advise anyone thinking of setting up a new business to research the area well before taking the plunge. *You need to understand how the business will work, how you will have to manage monthly cash flows and to be sure that there is a gap in the market you are trying to fill. Most importantly you need to understand your market and how you will offer value to your customers. It took us two years to do our research. In the end, that initial research has saved us money!*

For more information on Claire McDonough's new business got to www.lamaison.ie



DEIRDRE WALSH

As a graduate of Business and Legal Studies (BBLs) from University College Dublin, Deirdre Walsh took up a graduate position with a financial services multi-national in Scotland. While completing an MBA with Strathclyde Graduate Business School, she moved to the International Business Development department.

Deirdre worked initially on development plans for expansion into India but *on a cold Monday in January, I was brought into a meeting with senior management who spoke to me about the development of a new joint venture for the company in Hong Kong.* Four weeks later, instead of moving to Mumbai as planned, Deirdre was checking out her new office in Hong Kong, a change from which Deirdre was to never look back.

Deirdre spent four and a half years in China, in the process learning Mandarin Chinese. Her final project in China was to manage the establishment of the largest joint venture life insurance company in mainland China.

With this significant success, and following almost 10 years abroad, Deirdre's thoughts turned to home. After a disappointing six month stint with an outsourcing company in Dublin she found herself reviewing options while walking on a beach in Mayo.

Those wide open Mayo expanses provided the space for some critical and quite literally blue-sky thinking to figure out a way to utilise the business and management skills and Chinese experience that I had gathered to that point.

The beginnings of ChinaGreen came from this week of reflection. That was in the summer of 2005. Returning to Dublin, Deirdre began work on setting up a business.

Today, ChinaGreen is one of Ireland's leading providers of professional China skills to Irish businesses. Deirdre and her expert staff in Dublin and Shanghai help their Irish clients to find local companies to do business with in China. Their clients then deal directly with matched Chinese companies, fully supported by the ChinaGreen's range of analysis, support and interpretation services.

One of the primary challenges Deirdre faced in accessing enterprise support to develop the ChinaGreen concept was the perception of

the company as a professional or consultancy service rather than a manufacturing or tradable services type business. This meant that certain supports provided by the County Enterprise Boards, for example, were specifically excluded to Deirdre.

Doing this again, I definitely would have knocked on more doors, and been a little more persistent to make sure I actually got in.

Eventually, ChinaGreen was successful in getting incubation space in the Terenure Enterprise Centre. *While the Centre provided office space, reception and secretarial assistance and meeting rooms, it was the availability of a sounding board and the community among residents that provided the greatest assistance.*

The establishment of ChinaGreen was funded entirely by Deirdre herself, while the development and growth of the business since has been supported by Bank of Ireland who have recognised the value of the service provided by ChinaGreen with financial and enterprise support.

ChinaGreen now deals with a broad range of Irish companies operating in almost every key sector of Irish business – manufacturing, engineering, food, technology, chemicals, construction and professional services.

These companies vary in size from similar small family owned businesses to large Irish based multinationals. These companies are looking to either export their products and services to a market of over 300 million Chinese consumers, or to find alternative sources of supplies to cut their costs in Ireland and therefore become more competitive on the international market.

For many Irish businesses, the prospects of even starting to think about dealing with China can be daunting. *There is real value and opportunity to be had in China but sometimes fear of the potential risks prevents Irish companies taking action - we aim to reduce the risk and uncertainty for our clients so that they can capitalise on a China advantage.*

ChinaGreen has positioned itself to be the first call for these businesses to assist in developing their assault on China, to identify and evaluate prospective buyers, suppliers & supporters in China and then providing the ongoing support these companies require from first visit through to building long



term relationships and eventually agreeing contracts.

In the early days of ChinaGreen, Deirdre was supported by family and most friends, though at times there was some bemusement at the decision to go it alone at a time when the Celtic Tiger was roaring loudly providing big jobs with big business and especially as she had left a well paid senior role in a large 'safe' organisation. Deirdre's husband is from a family business background. *Diarmuid understands the demands of running your own business and when this means 18 hour days, incredible highs and shocking lows and an almost constant 'on-duty' mindset, his support has been essential.*

While being an entrepreneur hadn't been a life's ambition for Deirdre, when all the angles were considered during that week in Mayo, it became an obvious decision. Deirdre saw herself applying the business and legal skills learned while in UCD and the MBA disciplines learned in Scotland, while also utilising her "start up" and management skills from Hong Kong and China, and all the time maintaining and developing her contacts and connection with China, not to mention her Mandarin Chinese language skills.

Moving from working in a big company, it was a little daunting to be setting up a venture with only myself really to fall back on. As time has gone on, Deirdre has found great benefits in the building of a strong business network outside of just a strong client listing.

In Ireland, as in China, we do business through relationships. To anyone thinking about setting up a business Deirdre strongly recommends taking full advantage of networking opportunities provided by enterprise agencies.

When asked about the current business environment and the prospects for the coming years, Deirdre is positive despite all the current gloom and doom.

ChinaGreen is uniquely positioned to provide expertise and assistance to Irish exporters, looking to rapidly access new Chinese markets for their products, and to Irish importers who are looking to reduce costs through working with China. With straightened times, ChinaGreen is therefore well placed to facilitate those connections between Ireland and China in a way that will benefit both Ireland and China, and ChinaGreen itself.

Deirdre believes that now is as good a time as any to be thinking about setting up a new business provided the new business can provide a product or service that people want. She cautions: *Just because we're in a recession, doesn't mean that being able to make something cheaper is going to guarantee sales. Making widgets cheaper this year compared to 2 or 3 years ago won't make any difference, if they're still widgets that no one wants to buy!*

For more information on Deirdre Walsh's new business go to www.chinagreen.ie



JOHN LYNCH

John Lynch is from Dublin originally and went to school at Templeogue College, where he was a keen rugby player. After school he studied Commerce at UCD, as his father had before him, getting a BComm in 1982. After college he studied Chartered Accountancy, working with Ernst & Young. *I believe accountancy is a great discipline to have as your base in business, and because working as an auditor gives you a great overview on business, even at a young age. While still in my twenties I was asking Managing Directors of big companies to explain their businesses to me so that I could audit them.*

John also studied for and obtained a marketing qualification from the Irish Marketing Institute.

After leaving Ernst & Young John worked with Bayer Diagnostics for a couple of years, before joining Abbott Laboratories where he spent 16 years in increasingly senior positions, starting in Ireland. He then moved to the US with Abbot to get international experience and afterwards he headed up a large business in the UK.

John Lynch very much enjoyed his time working for multinationals in Ireland and abroad. *I spent many years working for multinational companies, particularly Abbott Laboratories, who gave me the opportunity to work in many different areas of business – finance, sales & marketing, business development, product licensing, product development and clinical trials. I also had the opportunity to work on building new franchises within Abbott's healthcare business, and this gave me the most satisfaction.*

John, however, had two ambitions that working as an international executive for the multinationals could not satisfy. *I had always wanted to do something for myself, and also wanted to move back to Ireland. This focused my mind so I took a leap of faith and moved back to Ireland, to find the right opportunity. The training that I received in a wide variety of disciplines at senior level was an ideal preparation for starting a new business.*

John Lynch believes that his formative education and work experience prepared him well for the life of an entrepreneur. *I think that my education in Commerce, Chartered Accountancy and Marketing, combined with*

the discipline and training of a well-managed multinational is the ideal background for a start-up business.

John is married with three children ranging from a second year college student, through a Junior Cert student, all the way down to a little guy who started school just this year. He found that his family and friends backed his decision to become an entrepreneur. *My family and friends were very supportive – I hope that that's because they have faith in me!*

When John returned to Ireland he was determined to start his own business but did not have a particular opportunity identified at that stage. He knew, however, how to scan the environment for opportunities. *I had worked in Life Sciences for the previous 18 years, so it was my area of expertise and also an area where I could add real value. After moving back to Ireland I met with a lot of companies and people and worked with a number of businesses on a consultancy basis. I was looking to find the best opportunity for a new business to get involved in. When I came across the opportunity which became Merrion Pharmaceuticals, I was convinced of its potential, and that I could make a significant personal contribution to its success. It was an opportunity that I believed matched the needs of the International market and where a small Irish company could attract the right talent, get the necessary investment and end up being genuinely world class in our field. Thankfully, that's proven to be correct!*

Merrion Pharmaceuticals came into being through the acquisition of a series of technologies from Elan Corporation. *I was there at the start as the only person based at our offices and labs at Trinity College, and we've now 30 highly skilled employees working on more than 10 new drug products. At the founding there were two US co-founders - Mike McKenna who is now a non-executive Director and Tom Leonard who is Chief Scientific Officer. While both are still based in the US, almost all our operations are located in Dublin.*

Merrion is developing a series of new drug products based on their patented GIPET® technology, which allows the company to make tablets from drugs that up to now could only be given by injectable means. This is done by vastly increasing the amount of drug that gets absorbed from the tablet by using GIPET® technology. In clinical studies



up to 46 times more drug was absorbed. *Our focus is on providing new products for international pharmaceutical companies to sell. We make our revenue from milestones, development fees and royalties on sales.*

The most significant challenges that Merrion Pharmaceuticals has faced to date relate to *funding and convincing pharmaceutical partners that Merrion is a world class company with world class technology. Given that there are such high risks in drug development, the biggest challenges are in giving confidence to investors and convincing partners to invest millions of dollars in a license deal with Merrion.* John Lynch has been singularly successful in meeting that challenge.

The initial funding for the business came from the venture capital company, GrowCorp and from Enterprise Ireland. Two further rounds of private funding were carried out a couple of years later, and that was followed by an IPO on the Stock Exchange in 2007.

John Lynch cites these investors who believed in what Merrion Pharmaceuticals was trying to achieve and who were willing to back them along the way as among their greatest supporters. He also places great emphasis on the staff of the new venture as contributing to its success. *Everyone who*

works at Merrion is a part of the venture – I tell everyone who joins that we will succeed by working closely together as a team. I am fortunate that I work with a very talented group.

John Lynch believes that the company is well positioned to meet the future: *Thankfully the hard work that we put in over the last five years looks like putting us in a very good position for the next five. I expect that we will do licensing deals for some of our products and bringing new ideas into development.*

With no regrets about his decision to return to Ireland and set up his own business, John comments: *It's been a wonderful rollercoaster ride to date.*

John believes that there is never a perfect time to set up a new business and that now is as good a time as any: *There is never a perfect time. If the idea is good enough, the business plan well enough thought through and the drive to overcome obstacles is there, you'll always have a good chance of success.*

What advice would John Lynch give to others thinking of becoming an entrepreneur? *Go for it- don't let the threat of failure kill off the potential for success!*

For more information on John Lynch's new business go to www.merrionpharma.com



KAREN MORGAN

Having spent all her time drawing as a child, it came as no surprise to her parents that Karen Morgan wished to apply to the Limerick School of Art and Design when she finished her Leaving Cert. *I have to thank my parents for always trusting me and giving me the freedom to make my own choices. I remember so many school friends being put under so much pressure to attend college courses just because they had great job prospects, regardless of what they may have really wanted to do.*

In her second year Karen got a place in the Ceramics Department with tutor, Kieran Whitelaw. *It was the beginning of a love affair with clay that still holds the same challenges, excitement and passion for me now as it did in the beginning, if not more.*

After receiving her Diploma in Ceramic Product Design from LSAD, Karen was accepted on the Crafts Council of Ireland's Pottery Skills course in Thomastown. The course, run by Gus Mableson, was created to produce fully trained production throwers to fulfill the demand in the many large scale potteries throughout the country.

After graduating with Distinction from the course, Karen started working with Michael Kennedy's pottery in Gort, Co. Galway. Karen then returned to Kilkenny and worked for Castle Arch Pottery for almost two years. *Working in both studios was of great benefit to me, improving my skills with clay and business, giving me a true insight as to what would be involved in setting up by myself.*

By 2003 Karen felt that she had gone as far as she could go working for others. *Although I knew I wanted to set up on my own, I was still not ready to take on the responsibility of a business. I knew that once I took the plunge it would be twenty four seven and take all of my time and energy. I decided to travel and work abroad before committing.*

Karen travelled solo to New Zealand where she worked for a potter, Paul Laird, before moving on to Australia. Her experiences abroad also included working onboard a Princess Cruise Ship travelling the Caribbean as a pottery instructor.

I'm always grateful I made the decision to travel on my own before setting up my business, it gave me a confidence in myself

which I didn't have previously and made it even more clear what I really wanted to achieve in life. She decided to move back to Ireland when she heard about the new Pottery Skills and Design Course in Thomastown. A second year had been created which was suited for experienced throwers to give them an opportunity to develop their own design skills and set up a business. It was perfect timing for Karen.

While still a student Karen created her Pestle and Mortar design which won first prize in the Habitat House and Home Student Designer of the Year. It proved to be a great start to her graduating year and later that year Karen won the Irish Student Designer of the year at the RDS Interiors Show.

The publicity attached to these awards proved a great launching pad to introduce Karen's work to the public. As part of her prize she won a weeks internship with the in-house designers of Habitat in London and a cash prize of €2,500. She also won a travel bursary from Feile Clai to work with leading UK potter and Chairman of the UK Craft Potters Association, Jack Doherty. She also won the Helena Brennan Pioneering Ceramics Award and was selected to take part in the Feile Clai Emerging Makers exhibition which took place in the National Craft Gallery and then travelled on to Aberystwyth Arts Center, Wales.

Karen found that when she left college she no longer had facilities available and no money to get her own. Her former tutor Gus Mableson came to her rescue. *Gus has always been a great source of encouragement to all his students past and present and he allowed me to make use of the facilities in the pottery school until I found my way.*

Within three months Karen was offered a space to work with Brid Lyons in Clay Creation, Thomastown. *Here I could avail of the studio facilities in return for manning her craft shop. I had a starting point to begin creating my work and see how the market would respond to it. It was wonderful to try out new ideas and not have the financial strain of running a studio.*

It was at this time that Karen met up with her current workshop colleagues Oonagh Anderson and Caroline Dolan. The three were recent graduates of the pottery course in Thomastown and all wanted to have a



studio space from which to create and sell their work. *Coming together as three made a lot of sense, especially since setting up and equipping a studio can be time consuming and very expensive. We could do it by pooling our time, skills and financial resources, with employment grants from Kilkenny County Enterprise Board, who are a great support.*

In August 2007 the three opened the doors to *Earthworks Ceramics Studio & Gallery*, the first cooperative ceramics studio and gallery space in Thomastown, Co Kilkenny, set in a beautiful 17th century grain mill by the river Nore.

In this way three uniquely different ceramicists could work together under one umbrella name and support each other in becoming entrepreneurs. We share the work load equally, each having our days for opening and running the gallery. We also share stands at trade fairs and give each other constructive feedback in the development of our work. So three is the magic number when Earthworks is concerned!

Earthworks hosts a number of events and exhibitions throughout the year including Kilkenny Arts Festival and showcases other artists' work alongside their own. The trio have also taken part in a number of Craft Fairs including most recently the RDS Christmas Crafts Fair. In 2008 they won the Crafts Council of Ireland Award for Best Group Craft

Shopping Stand at Bloom in the Phoenix Park.

Karen is always trying out new ideas and adding to her range of contemporary tableware, which is hand-thrown in porcelain and altered while still fresh to create soft fluid forms. She combines sculpture with functionality, transforming everyday functioning items into fine art pieces in their own right. In 2007 Karen won first prize for her new serving dishes in the functional ceramics category at the RDS National Crafts Fair, as well as the Ceramics Ireland Award of Excellence.

In 2008 Karen decided to break into the UK market and Kilkenny CEB once again supported her. She was selected for Ceramic Art London (CAL), one of the UK's leading and most prestigious ceramics fairs. Being Ireland's sole representative, it opened up many exhibition and retail opportunities. She has just recently taken part in CAL 09 and Karen now supplies a London based gallery and is in negotiations to supply galleries in other parts of the UK.

Karen Morgan has hardly stopped for breath in telling her tale. Would she do it all again? *Most definitely... this is only the start!*

For more information on Karen Morgan's new business go to www.karenmorganceramics.com



MARCO GIANNANTONIO

It was a love of Ireland that brought Marco Giannantonio back again and again to Ireland after his first visit in 2001, when he came for a few months to learn English having finished a degree in law in the University of Rome.

In 2004, having qualified as a solicitor, it was decision time. He was just 25 with excellent qualifications and an expectation on everyone's part that he would go on to make a brilliant lawyer like his brother. But his heart was not in it.

I loved studying law but I did not particularly like practising it. I did not like the system. It seemed to me that people could not be themselves; it was as if they were wearing masks. I wanted a career in which I could put all my passion and my heart and be true to myself. I then did something quite mad – I decided to base myself in Ireland and to turn from the law to the world of food and wine! To say that everyone at home was very surprised by my decision is putting it mildly.

Before he left Italy in 2005, Marco had discovered a person who shared his sense of mission to bring the best of Italy through its food and wine to people in other countries. Maurizio Mastrangelo was to become Marco's business partner and the two first set up a company in Italy, where Maurizio would continue to be based. The idea was that they would source produce from a network of small organic producers and try to sell these initially to the restaurateurs that Marco had worked with previously on his many earlier visits to Ireland. Then Marco moved to Ireland.

I started with nothing, just my mobile phone. I didn't even have a computer or a landline.

Marco explains that like many others starting a new business the initial results were not good, due to the fact that the new business was no different to many other longer established businesses. *We were full of passion but did not pause to plan the best way forward. There was big competition facing the new business. I knew that we had to be offering something different and that a more original approach was needed.*

Marco realised that when he could get talking to people, when they could taste the wine and the food that they were much more open to ordering the products. With this in mind,

he rented a very small space in Rathgar into which he would invite people to sample what was on offer. A chef friend of his joined him at this stage. At the beginning they invited those in the food business to come and sample a taste of Italy. This went very well and built their confidence. Within a month they decided to try to attract in the general public. They would do this by starting an Italian cookery school.

Initially the main focus was on building up the cookery school and the food and wine being imported were primarily being used as ingredients for the school. A leaflet promotion combined with free trails sparked initial interest and the web site proved very useful as a means of attracting customers. Within three months, people were booking classes.

With the increasing interest among those attending classes in all things Italian, Marco and his partner decided to organise tours to bring people to Italy where they could see at first hand where the food was produced and the wine made. This was a great success.

Marco is a great believer in the power of networks and has worked at building up a network since the day he arrived. He now had a rapidly growing network of satisfied customers for his cookery school and for the tours. *These were like my PR officers.*

With the business growing there was a need to find a bigger place to house the cookery school. A suitable place was located within Rathgar and, working 18 hours a day, an empty space was turned into an Italian cookery school within a month. *We called on all our friends and a good friend of mine, who is an interior designer, came over from Italy.*

At this stage it was also necessary to approach a bank as they needed to get some money to put into the growing business. *Our bank was AIB in Dame Street and there we dealt with Nicky Heaney. We explained our ideas to him. He liked our business plan and was prepared to back us.*

With larger premises much more was possible. Two employees were taken on to complement Marco and the chef, Marco Roccasalvo, who was to become the third partner. Committed to innovation, Marco tried out different ways of fully utilising the premises. Not only was the school in demand in the ordinary way but cookery parties proved very popular with families celebrating special occasions, cooking



together, then eating together. The same approach proved attractive for corporate team building and groups came from all over the country to participate in competitions and convivial occasions centred around Italian food, wine and hospitality.

Two other areas began to open up for the business – demand for cookery demonstrations outside the cookery school and for catering services. The need for a larger kitchen for catering became apparent. Marco and his partners rented an industrial kitchen for the catering business in Kimmage. But they soon realised that ideally all the aspects of the business should be together, otherwise there was duplication and inefficiency.

The latest phase of the business sees them fitting out a large unit in City Link Business Park, Old Naas Road, Dublin 12 which has a large store room, a specialist kitchen for the catering, a dedicated school of cookery and a small shop for direct sales. Six people together with the three partners are now employed there full time.

A new wine bar, Pinocchio's in Ranelagh has been added to the stable of related businesses. *Who can say in five years there*

may be six or ten Pinocchio's around Ireland?

Besides his bank, Marco mentions the valuable support he has received from the Emerge Skillsnet – *We have sent our people to do courses there. They give more than training, however, as they have the same philosophy as ourselves and believe in the positive power of making networks.*

Underlying Marco's approach to his business is a philosophy which guides his life. *Our lives are relatively short and we have only a short time in which to make a difference. It is therefore very important to always give of your best. At the end of every day I want to be able to say with truthfulness – Marco you have done well today.*

Marco's advice to others, thinking about becoming an entrepreneur, is not to get caught in hesitation: *Starting is hard. But once you start the business it gathers momentum and it is as if you have a positive wind behind your back. The key is to start. Then things happen which otherwise might not.*

For more information on Marco Giannantonio's new business go to www.flavourofitaly.net



MARK DUCKENFIELD

Next June when Dublin is alive with street performers from all over the world taking part in the AIB Street Performance World Championship, it will be thanks to two friends Mark Duckenfield and Conor McCarthy who, when they studied computer science in Trinity together, never expected to become entrepreneurs and to find work quite so much fun.

Having thoroughly enjoyed their time in college, rather than the computer science course itself, the friends left Ireland separately to travel and see the world. That was in 2002. In June 2005, within a few months of returning to Ireland, the friends were having a night out together in Temple Bar. They were fascinated by street performers and the concept of the AIB Street Performance World Championship was born.

Watching a group of African acrobats performing, it became obvious that this was a hugely popular form of entertainment that the people of Dublin didn't have to pay for yet wanted to contribute to. Over the course of next three hours we watched three shows, each one earning the performers an estimated €500 per show. The vast majority of the audience who watched contributed to the 'hat' of the performers. What really struck us was that there were people from all social classes, all nationalities and all age brackets watching the show.

Neither Mark nor Conor had any experience in event organisation, never mind festival organisation with a six figure attendance, nor had they had any business experience and up until that point both were ready, if reluctant, to finally settle into a world of programming.

I knew that I was onto a winner when I told my dad of my decision that I was going to give up my job and start something a little bit different. I really was quite nervous about it. But amazingly, he loved it... he thought that it was pretty random but he thought that it was a fantastic idea and one that would work. I knew that if I could convince a man who has been a civil engineer for the last 35 years, I could surely convince someone else... someone with money to invest.

Having made their decision to go for it, Mark and Conor headed to Dublin City Enterprise

Board. *The Enterprise Board was absolutely amazing. I cannot say enough about them! The two with their new venture, Emerge Events, were provided with start up capital of €10,500. While that money now does not seem like an awful lot, I can tell you, when you have nothing it is huge!*

The other very significant support that Mark and Conor received from Dublin City Enterprise Board was the appointment of a mentor, Brian Davitt. Mark considers that Brian made a real difference to the development of the fledgling business. *It really was very important to have someone that you trust and one that had no alternative motives. If Brian didn't like something we were doing he told us... if he thought that we were on to a winner, he told us that too. And that is what you need... someone who is going to be honest with you and not pussyfooting around you saying the things that you want to hear. When we nearly had the event taken from under us by a 'bigger fish' promoter, Brian was there standing in our corner ready with the gloves on.*

In 2005 with little money and plenty of ingenuity, Mark and Conor set out to identify first class entertainers from different parts of the world and bring them to Dublin where they would perform for the public, who would then vote for their favorite act. The winning acts would be those that attracted the biggest vote. While no prize money was at stake they believed that a great deal of honour and glory could provide the attraction. While there would be no charge to the public attending the show, in the traditional busker fashion, at the conclusion of each performance, the entertainer would collect money from the audience.

The venue was to be Merrion Square and the two circumvented not having money to decorate and power the space by doing deals with the food and ice cream vendors to provide decoration and generators in exchange for exclusive rights to service the event.

In the first year, with no commercial sponsor, Mark and Conor managed to attract 26,000 to attend the event. That first year proved to them that an appetite existed in Ireland for an event of this nature and they were determined to grow it further to realize its real potential. To do so would require a commercial sponsor with money to invest in the event.



The two friends made a long list of potential sponsors and started cold calling. AIB were very interested in the concept and agreed to offer a sponsorship deal. *We were delighted that they took a chance on us and their faith has paid off. The attendance numbers have grown – despite the rain of Irish summers from 26,000 in 2006 to 40,000 the following year and 85,000 in 2008. This year, we are hoping to attract over 100,000 to the event which has captured the imagination of the people of Dublin.*

The performers that attend come from a circus or corporate entertainment background. Their travel and accommodation costs are covered by the organizers and what the entertainers make after that depends on how good their act is and how much people like them. Each act typically performs six 35 to 45 minute shows to an audience of up to 2,500 at each show.

While events of this nature are free to the public, they cost a large amount of money to produce. AIB have for the last three years been the festival's biggest sponsor. *AIB have been amazing to work with. They seem to genuinely enjoy the festival. Their involvement has created an event where hundreds of thousands of Irish people, foreign nationals and tourists alike enjoy a fantastic weekend of family entertainment.*

Over the last number of years, Mark and Conor have won a number of awards. *While these are not what setting up a business is all about... It's still nice to have other people appreciate what you do.*

This June the AIB Street Performance World Championship will be the largest free summer event in Dublin with an expected attendance of over 100,000. For the first time this year, the event is also being brought to Cork, where an expected 30,000 people are expected to

visit Fitzgerald Park during the festival, making it the largest free summer event in Cork. As a sign of the popularity of the event, Belfast City Council has already put in a tender for the AIB Street Performance World Championship to take place in their city centre in 2010.

Our intention is to roll out this festival throughout Ireland, adding a new venue each year in a different location. This year we have included Cork. Next year? Who knows! We are certainly open to approaches from interested cities and towns. We would hope that for two months each summer, the event could be brought to cities and towns around Ireland, so that this 'moveable' event could become available to everyone in Ireland. Local business would benefit helping local economies. The positive implications with regard to tourism are also very significant.

Mark's advice to anyone thinking of starting a new business is twofold: *write a business plan and approach your local Enterprise Board and get them on your side.* Speaking of the importance of developing a business plan, Mark comments: *Know what you are doing and where you are going. Things are going to crop up all along the way that you cannot possibly imagine. Since you can't prepare for these, get ready for the things that you can imagine. We spent three months writing ours sitting at the kitchen table. It was a huge and sometimes boring undertaking, but at the end it meant that we were both exactly on the same page.*

Mark laughs a great deal and obviously enormously enjoys what he is doing. *I enjoy coming to work and enjoy the challenges that it brings. It has the added bonus of making people happy along the way!*

For more information on Mark Duckenfield's new business go to www.spwc.ie



MICHELLE LYNCH

Michelle Lynch, the eldest of six, comes from a very long established Cavan family. Both of her parents successfully ran their own businesses - her father in food processing and her mother in knitwear. While still a student Michelle was out in the States selling and promoting her mother's knitwear company.

As a school girl Michelle had a great love of English and debating and successfully took part in national debating competitions. Although no one in her family was involved in the legal profession Michelle's thought on leaving school was to take her skill in debating into a study of law with a view to becoming a barrister. She successfully studied law in UCD and from there studied at King's Inns becoming a barrister-at-law.

The reality of being a barrister was quite different to my earlier impression of it. I actually found it very constraining.

Always responsive to an opportunity, Michelle used her talent as a singer to enter the United States. Once there, she liked what she saw and looked for other opportunities. The World Trade Centre in New York caught her imagination as she believed that a centre of this nature offered possibilities in other locations.

Several years later she had progressed to the point where she could look down from her offices on the 71st floor of the World Trade Centre of which she was then Senior Vice President and Director of Trade Programmes with the Port Authority New York/New Jersey. She had certainly arrived.

Not content to sit on her laurels, Michelle began to hatch a plan to set up a new business and to use her 20 years accumulated experience working in the area of US-Irish Business, Trade Law and project management.

During this time Michelle came into contact with Carol Boyne, who was at that time based in Dublin and Vice-Chairman of KPMG's European Trade and Customs Practice and formerly Head of KPMG Ireland Trade and Customs Practice. Also an expert in her field, Carol had over 16 years experience working with international companies in the area of Customs, Excise and International Trade and was a well known and established expert in Customs and Trade taxes.

Michelle and Carol knew each other on a professional basis but soon a friendship grew and with it a shared dream of capitalising on their extensive skill sets and contact base and establishing an international trade and services company. *I could see at first hand that a boutique style business worked really well in the States and I did not see why it could not also work well in Ireland.*

The two are now sisters in law, as Michelle introduced Carol to her brother, Rory, and before long they were married. As the Lynch's are steeped in Cavan the desire to set the new business up in Cavan grew.

Moving out of the city made very good sense for us. While we still retain a Dublin office, the space and tranquillity of Cavan gives us a quality of working environment that is second to none. We find that our clients can also come here relatively easily from either Dublin or Belfast airports and, as we are near the border, it makes dealing with HM Revenue Commissioners all the easier. Equally importantly the cost of doing business away from the capital was much less and the talent available locally, on which to build an executive team, was incredible.

Crannagh and Co. International Trade and Services Ltd was formally established in 2006. At the beginning there was just Michelle and Carol. They built an international profile very quickly and as the demand for their services grew so did their staff. Crannagh and Co now has a third director, Eamonn Flood, formerly of PwC, as part of the team. In total, there are eight professionals and three consultants. *We are confident that within two years that number will double. Our confidence is based on the fact that we now have 27 of the Fortune 500 as clients and our services are in demand as we can help any company who trades across borders to cut their costs. In the current climate, that expertise is indeed greatly prized!*

The challenge facing Crannagh & Co. is to train up additional professionals to avail of the opportunities to widen the scope of clients and penetrate the market further. *We are helping large international companies to trade efficiently out of Ireland and to retain a strong R&D and logistics/distribution in Ireland, while buying in components and products from the Far East. We can help these companies to significantly cut their costs. The corporation rate of 12.5% is a serious inducement for these companies to stay in Ireland, providing employment and contributing to the economy.*



From the outset, Crannagh and Co. received support from their local County Enterprise Board and in their first year of operation won the National Enterprise Award which is open to all CEB clients. The business has since been nominated for many other awards and honours. *Nothing succeeds like success and we feel that we have the wind of success at our backs!*

Michelle and Carol put €360,000 of their own money into the business at the start, on a 50:50 basis. *We had an excellent bank behind us. This is essential as the working capital needs of a business facing into expansion are considerable. We very much found the bank open for business and prepared on a human level to work with us.*

Michelle does not underestimate the work involved in setting up and running a new business. *It is absolutely challenging. There is no point in pretending that it is not. The hours are very long, that is the reason that it is important to be working in a good environment. As our own bosses we have our offices outfitted in a relaxing and comfortable manner, with the walls decorated with wonderful art – even if most of it is painted by my brother!*

In the current challenging environment, Michelle Lynch believes that it is essential to think through clearly what it is you want to do

and to ensure that your business proposition is something that people will be prepared to pay for at a rate that is profitable for the business.

Michelle considers that the key success factor for Crannagh & Co. is its clear ability to make savings for companies who trade internationally. *We were well positioned as we had the expertise and reputation in the area, which no one else was offering, that would immediately impact on the bottom line of companies.*

The essence of the business is very often negotiating and mediating between clients and the Department of Enterprise, Trade & Employment, or the Revenue Commissioners and the company has many years experience in the area of high level mediation, with three of the company trained as Commercial Mediators.

With a well developed ability to see opportunity where others see significant challenges, Michelle believes that there are positive sides for entrepreneurs in the current environment. *The challenging environment has its compensations, as premises to buy or rent are cheaper and talented staff are more available.*

For more information on Michelle Lynch's new business go to www.crannaghtrade.eu



PAUL McNULTY

Paul McNulty first declared his interest in becoming an entrepreneur when his career teacher asked him in his first year of secondary school what career he would like to follow and he responded that he intended to set up his own business. Twenty years later, he did just that.

Following a degree in Business with Computers from Coleraine University, Paul did a Masters in Multimedia in Edinburgh. Paul explains that *'while I enjoyed programming I was more interested in the commercial side of the business. At the start of the 1990s the internet seemed to offer endless possibilities. The web offered individuals or small companies the ability to advertise and compete on the international stage by building a good web presence. Web based software development was always the area that interested me most as the gross margin seemed very high.* This underpinned Paul's new venture into online interactive applications that he learnt during his Masters.

Following his Masters, Paul secured a job immediately with a small Irish company in Dublin, Interactive Multimedia Systems. Looking back he would recommend that anyone thinking of starting their own business gets work in a small company. *'You do not get lost within the machine and get more responsibility from day one. I had some very interesting projects to work on, had more responsibility than I might have expected and travelled for the company to work on projects in Germany and South Africa.'*

Having worked in that company for three years, Paul got itchy feet and following the trend at the time among young educated Irish people, Paul decided to take some time out and travel. *I headed off to New York with my girlfriend. We planned to travel but ended up getting good jobs and stayed there for 4 years. We had a great time there and we worked hard, but we always intended returning home.*

Paul and his girlfriend are both from Letterkenny and it was to there they returned from New York. There were little or no jobs in multimedia development in Letterkenny at the time and Paul took a job with a small publishing company, as an advertising executive. One of Paul's responsibilities in this company was to promote their publications to potential advertisers. *The*

standard practice was to pop a copy of our publications in the post along with a marketing pack and follow up in a couple of weeks with a phone call. The costs and the lead times involved in this strategy were very high and we started to look for a more cost effective way to market our publications. Paul saw the opportunity to generate an online interactive dynamic version of a magazine so that advertisers could go online and instantly see an exact replication of the print edition by flipping through the pages.

This idea was to be further developed into 3D issue, which is a digital magazine software solution, designed to ensure that publishers, whether print based or web-based, would be able to convert their PDFs to dynamic interactive magazines without the need to hire specialist services. At the time there were a number of companies doing this but they were only offering this as a service. So the publishers would have to pay these service providers each time they wanted to convert one of their publications. Paul realised that this excluded the vast majority of small to medium sized publishers, as the fees of these service providers far outweighed any benefit small to medium sized publishers would gain from a digital presence. This became Paul's Unique Selling Point.

The idea is that the software package would allow a range of organisations and publishers to convert their magazines into a searchable digital magazine in a matter of minutes without worrying about monthly charges or recurring costs.

Paul is full of praise for WEST BIC and Enterprise Ireland who supported him from the outset. *Their help was fantastic and they are still helping us out to this day. I was accepted onto the CÉIM programme run by WEST BIC and received CORD funding from Enterprise Ireland and this made the world of difference to me.* When Paul went on the CÉIM programme, he was ready to start Beta testing the software and this programme gave him the time and the space to test and further improve the product and to get the business plan in place. *It involved one day training a week on the various aspects of running a business. On the programme you were grouped with individuals who were also setting up businesses. Networking with them was the best experience of the programme. Everyone would bounce ideas around and share information. It's a great confidence builder.*



Setting up a new business is not easy and involves long hours. Paul found that the support of his girlfriend was essential. *Carmel was behind me all the way and put up with the long hours. She helped me to step back at times to get a fresh perspective.* Paul's family were also very supportive. *There was very little opportunity in Letterkenny for employment in my field and jobs were few and far between. When they learnt that Enterprise Ireland was backing the venture, they saw this as a major stamp of approval.*

Trinity Innovations started trading in April 2007 with its first developed product, 3D Issue. Already four people are employed full time and two on a part time basis. From the outset, Paul was determined to get a big name as a reference customer.

I believed that if you could get a market leader using your product, then you had market validation. I was fortunate that MyHome.ie took an interest. I worked around the clock to deliver a solution to them which they successfully ran on their site. For the time I put in, I didn't really profit from this particular project but the value it brought to the software was fantastic. After that other market leaders such as the Sunday World started using our software, and things grew dramatically from there.

Over an eighteen month period the software product has changed considerably until it has reached the stage of being totally automated so that the purchaser can customise their publication themselves without seeking any technical assistance.

There are now four more products in the pipeline aimed at the same target market. *The challenge is to get products released that are MAC compatible, as there is a decided gap in this area. It's easier to keep a customer than to create a new one and all of our new solutions are targeted at their needs.*

In offering advice to those thinking about setting up a new business, Paul McNulty believes that the most important thing is to know the market and its needs. *You need to know that what you are selling answers the needs of the market and that you can communicate this well. My background in multimedia and publishing came together and enabled me to see a good commercial opportunity which developed into 3D Issue.*

The internet has changed everything in the way that we do business. I grew this business organically. I took a bootstrapping approach to developing the business and outsourced when I could to keep the costs down. I would advise anyone setting up a new business not to worry about the frills - they will come eventually. Keep the cost of sales as low as possible.

Paul has no regrets about becoming an entrepreneur: *I enjoy what I do and that's perhaps the most important thing. Enjoying what you do is what causes you to work those long hours and it's those long hours that make the business grow.*

For more information on Paul McNulty's new business go to www.trinityinnovations.ie or www.3dissue.com



ROSE QUILTER

Rose Quilter did not start her career determined to be an entrepreneur - quite the reverse. She and her parents were very happy to see her joining the Irish Permanent in the late 1970s on the basis of a very good Leaving Certificate. Ten years later she opted for voluntary redundancy as she had young children. She did not stay long full time at home, however, and returned to the workforce to manage a patent office in Cork. From there she went to work for the Credit Union. All the time Rose was building strong management and administrative skills and attending a wide variety of courses on a range of topics to further strengthen her knowledge and skills. *I guess I always had an enquiring mind and continually wanted to be learning something new.*

Over the years, Rose Quilter began to hunger for greater independence and wished to become the master of her own destiny. She responded to an initiative being proposed by the Cork Association for the Deaf which offered the opportunity to train as a professional electronic note taker. The training was provided by the Royal National Institute for the Deaf (UK). The objective was to train those who wished to provide an electronic communication service for the deaf community on a free lance basis. This valuable service is a method of communicating using two networked laptops, which provides real time communication in any arena, where there is verbal communication.

Rose thoroughly enjoyed this course and responded in particular to the opportunity it offered to work for herself. She met her future business partner Liz O'Sullivan on the course. Together they saw the opportunity not just to create jobs for themselves but to create a business with growth potential.

We saw a gap in the market and decided to expand this service to provide an electronic note taking service for people with other disabilities (for example dyslexia, physical disabilities or visual impairment) and set up NoteTaking Solutions in 2005. Our main market is in the educational sector but we also cater for training, conferences, meetings workshops and seminars, nationally and internationally.

Rose takes great pride in the fact that one of the profoundly deaf students they worked

with over many years, Eoin Burns, graduated last November with a first class honours degree in Construction Management from Cork Institute of Technology adding to the BEng in Civil Engineering he completed in 2006. *Eoin was a wonderful student and NoteTaking Solutions enabled him to fulfil his own potential. With an excellent project management job in London, Eoin is now a role model to other people with disabilities, as to what they can achieve.*

The partnership of Rose Quilter and Liz O'Sullivan has worked very well as they have complementary skills and mutual respect for each other's skills. *We laid everything out at the outset and decided the way in which we would manage our relationship and make business decisions and it has worked extremely well.*

It has not been all plain sailing, however, as the recession and recent cut backs in Government supported services has meant a significant cut in the monies available to fund the type of services that NoteTaking Solutions provides. *Last year we had 13 people working with us. Now we have just 7. We are not daunted by these challenges, however, and are currently developing new ideas to allow us to diversify.*

Rose Quilter's advice to any one starting out in their own business is simple: *I would suggest that anyone thinking of setting up a new business goes to talk to their County Enterprise Board. Cork City Enterprise Board was absolutely fantastic as far as we were concerned. While they were unable to give us funding, they gave us everything else – advice, mentoring, constantly relevant training programmes and an introduction to Going for Growth. I can't say enough about them!*

Rose is a positive networker and believes in taking good advice wherever she can find it. *Going for Growth really worked for me. Our lead entrepreneur, Julie Colclough was full of both strategic and practical advice and we also learnt from each other. Participation opened up our minds to many new possibilities in business and enabled us to start thinking 'outside the box'.*

Rose laughs when asked if she would go it all again. *There are times when I said I wouldn't, but I am glad that I took the plunge.* The lessons that she has learnt since 2005 are that it is essential to know



your market, to look for all the professional help you can get, to be persistent and to learn from the knocks – *there will be plenty of those* – to be practical, pragmatic and to remain constantly alert to market changes and new opportunities.

For more information on Rose Quilter's new business go to www.notetakingsolutions.ie



TARA DALTON

When Tara Dalton took her primary degree in aeronautical engineering at the University of Limerick, she did not realise that she was starting on a path that would lead to the foundation of a new business in microfluidics with applications in genetic analysis.

Following on from her primary degree in 1994, Tara started a PhD on the topic of heat transfer in electronic systems, under the supervision of Prof Mark Davies at UL. The topic featured a mixture of fundamental engineering science and practical industrial application, a combination of challenges which inspired Tara to commence a career in research on successful completion of her doctorate.

Through her collaborative work with Prof Mark Davies during the 1990s, Tara played a key role in the development of the Stokes Institute at UL. The research portfolio at Stokes initially focussed on gas turbine flows and heat transfer in electronic systems, and later evolved to address significant challenges in electronic systems reliability and energy management.

The Stokes Institute is a multidisciplinary, multinational group of scientists and engineers working in close collaboration with many industries, hospitals and government organisations. The institute has been supported over many years by Enterprise Ireland. *It is only this long term commitment to a group that allows for the necessary development of human and capital resources. We have every expectation that the growth of the past 15 years will be repeated, both in the Institute's absolute size and in the breadth and diversity of problems that it addresses.*

In early 2001, Tara and Mark initiated a strand of research on bio fluids, in particular design innovation in microfluidics for the genetic diagnosis of cancer. They became convinced that this research had a strong potential for commercialization. *We were excited by the idea that this route could potentially give us access to research funding to do something really significant with high impact. The sequencing of the human genome had potential that we believed we could capitalise on further.*

The challenges in realizing this opportunity were considerable – defining the ownership of the relevant IP, managing the transition

of researchers to developing products and processes with a clear commercial focus, identifying potential customers and collaborative partners, and targeting sources of funding which understood the aims of the enterprise. Undaunted by these challenges, Mark Davies and Tara Dalton established Stokes Bio Limited in 2005.

Stokes Bio is dedicated to the development and application of microfluidic technology to radically improve and enhance life science research and molecular diagnostics. Stokes Bio develops microfluidics based systems for genetic analysis, particularly for the measurement of gene expression and gene target detection. The systems will be used in basic life science research and in the molecular diagnosis of cancers, pathogen detection and pharma-genomics. Products under development range from point-of-care diagnostics to high throughput arrays.

From the outset Stokes Bio was backed by Kernel Capital, a Cork based Venture Capital company which initially invested €1 million. This allowed the new company to identify and equip suitable premises in the Shannon Arms building on Henry Street in Limerick City and to begin to recruit the scientists and engineers who would form the backbone of the new enterprise.

We had a ready source of potential employees from the graduate students whose doctorate studies Mark and I were supervising. We have been able to build an excellent team of science and engineering talent in this way.

The next challenge was to build a Board which had both the scientific understanding of what we were about and the commercial savvy to be a real source of advice for Mark and I. We were absolutely delighted when Dr. Ed Walsh, the former President of UL, agreed to be chairman. More recently Stokes Bio has taken steps to strengthen its management team with Dr Jim Walsh joining as CEO in February 2007. Jim was a formally Chief Operations Officer of Trinity Biotech and in that role had some 25 years of commercial diagnostic experience. Since then, Stokes Bio has continued to raise investment and will announce a significant commercial agreement with a US multinational.

Tara Dalton found that the support which the co-founders could give each other to be invaluable. *We act as a sounding board for each other.* UL was also supportive in



its understanding of the need for the new company to agree terms to get the IP out of the university. *In the end a very fair deal was agreed that benefitted all parties, without this the spin out simply would not have happened.*

In addition to her role in Stokes Bio, Tara maintains her academic position as Lecturer in Biomedical Engineering in the Department

of Mechanical and Aeronautical Engineering while continuing her activities as a director of the Stokes Institute. *This is certainly hard work, but it keeps me in touch with cutting edge research and who knows we may be able to spot another opportunity and do it all again. I certainly hope so!*

For more information on Tara Dalton's new business go to www.stokesbio.com



SECTION 5

THE ENVIRONMENT FOR ENTREPRENEURSHIP

5.1 INTRODUCTION

Internationally GEM has developed a model which differentiates between the conditions that enable and support entrepreneurship within countries depending on a country's stage of development. Ireland is grouped with 17 other countries⁴³ that are described as being innovation driven.⁴⁴

The conditions that enable and support entrepreneurship, referred to as *entrepreneurial framework conditions*, for these countries are as follows:

- Entrepreneurial Finance
- Government Entrepreneurship Programmes
- Entrepreneurship Education
- R&D Transfer
- Commercial and Legal Infrastructure for Entrepreneurship
- Entry Regulation.

GEM assesses the relative strength of the *entrepreneurial framework conditions* within a country through consulting with key informants. The key informants comprise entrepreneurs⁴⁵ and experts on entrepreneurship drawn from policy makers, development agencies, academics and financial institutions among others to reflect the *entrepreneurial framework conditions*. The key informant panel in Ireland remains in place year on year and is refreshed with new additions as required to hold its number to about seventy. Similar key informant panels are in place in other participating GEM countries.

In mid 2008 the panel of key informants were asked to assess the *entrepreneurial framework conditions* for Ireland and were asked to make recommendations to further improve the environment for entrepreneurship. The key informants frequently mentioned the

decline in economic growth both nationally and internationally, lower GDP in the medium term, reversal of the former boom in the construction sector, the decline in consumer confidence and spending together with a very high cost base as weaknesses within the environment at present which may be expected to have a knock on effect on the entrepreneurial environment and on the opportunities available for new enterprises. The assessments of the key informants on each *entrepreneurial framework condition* are contained in the paragraphs that follow.

5.2 ENTREPRENEURIAL FINANCE

In terms of assessing the environment for entrepreneurial finance, the key informants were asked a series of pertinent questions which covered the availability of equity funding, debt financing, government subsidies, informal investors, VC funding, and the availability of funding through IPOs. The response from the Irish key informants was in the main negative, with the general view being that in respect of new and growing enterprises there was insufficient debt funding, insufficient business angels or informal investors, and insufficient VC funding available. In particular, the key informants considered that IPOs did not provide a route to funding. Their view of the financial subsidies available from Government through the development agencies was more upbeat and one of the more positive collective responses across the participating GEM countries.

In respect of the financial environment the Irish key informants specified weaknesses in this area more frequently than they did in any other aspect of the environment for entrepreneurship. Commenting in a negative fashion in a general sense on difficulties related to access and availability of finance, they cited particular difficulties for non agency supported enterprises.

⁴³ The other countries in this group with Ireland are Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Israel, Italy, Japan, Korea Republic, Netherlands, Norway, Slovenia, Spain, United Kingdom, and United States.

⁴⁴ Innovation driven economies are contrasted with efficiency driven economies and with factor driven economies. See pages 10-11 of the Global Entrepreneurship Monitor Executive Report 2008 www.gemconsortium.org for a more detailed explanation.

⁴⁵ 41% of the key informants who participated in the 2008 GEM research in Ireland are entrepreneurs.





On a more positive note the key informants noted that the VCs were now more available than previously and that initiatives had been put in place to support the development of business angel networks and VC fund availability. Low interest rates and low corporate tax rates were also considered positives in the environment together with the financial supports available from the development agencies for eligible businesses.

In terms of recommending improvements the main concern of the key informants was that finance facilities would not dry up given the pressure on the banks and that new initiatives to further develop the access to finance would be introduced.

5.3 GOVERNMENT SUPPORT FOR ENTREPRENEURSHIP

Responding to questions related to Government policy support for new and growing enterprises, Irish key informants were negative in terms of their view of the burden of government bureaucracy, the treatment of new firms in terms of government procurement and the relative speed of obtaining the required permits and licences. The regulatory burden in particular was frequently mentioned by key informants in itemising weaknesses in the environment for entrepreneurship.

The key informants were more positive in terms of the high priority accorded by Government to support entrepreneurship, the low fiscal regime for new and growing firms and the fairness with which taxes and other government regulations are applied. These points were again articulated in their estimation of strengths in the Irish environment for entrepreneurship.

In terms of the degree of government policy support for new and growing firms, the key informants in Ireland were more positive than their counterparts in most other countries, with key informants in Finland and Korea-South alone more positive in their view of their Government's policy support in this regard.

Recommendations were made by several of the Irish key informants as to the manner in which fiscal incentives could be used to encourage enterprise, those starting new enterprises and those taking on new employees.

There was a general view that while the

government had a high degree of support for entrepreneurship, there was a need for a more integrated and coordinated approach at the highest levels with entrepreneurship being actively championed and a national entrepreneurship policy being adopted.

Responding to questions in relation to entrepreneurship support programmes, the key informants in Ireland were more positive in their view of programme supports for new and growing enterprises than their counterparts in most of the other countries, believing that there were an adequate number of Government programmes, that these were by and large effective and that executives working in the development agencies were competent. Incubators were perceived as providing effective support.

As was evident in their commentary on the financial environment for entrepreneurship, the key informants were more positive than their counterparts in most other countries in respect of the availability of Government subsidies for new and developing businesses.

A wide range of specific programmes for the support of entrepreneurs and their new businesses, together with the work of the development agencies, in particular Enterprise Ireland and the City and County Enterprise Boards, were repeatedly and most frequently cited by the key informants as strengths within the entrepreneurial environment in Ireland.

There was a wide spread belief, however, that information and assistance for entrepreneurs and their new enterprises could not be accessed through a single contact point. Several of the key informants elaborated upon this point citing it as a weakness in the entrepreneurial environment. There was also a concern that Science Foundation Ireland's support for research is aimed at basic research and is not sufficiently aimed at commercialisation or the needs of enterprise. There was also a belief expressed by several key informants that the development agencies are too narrowly focused.

The suggestions by the key informants for improving the programmes of support for entrepreneurs and their new enterprises included the following:

- **Financial support:** A faster and more efficient grant process with continued

state support to facilitate and encourage private sector investments.

- **Fiscal supports:** Greater promotion of BES and seed capital schemes.
- **Support to entrepreneurs:** Higher quality training courses supported by mentors.
- **Facilitating exports:** Better communication to highlight the importance of exporting firms to the economy, and the connection between R&D, technology transfer and exports. Better supports to build exports from an early stage with the matching of those with export skills to new enterprises that need them and active programmes to facilitate partnerships between start-up firms and international partners.
- **Regional focus:** Significant focus on developing entrepreneurship at regional level, with the development agencies, financial institutions, third level colleges and others working together to support entrepreneurship within their region.
- **Access to information:** Better quality information that is more accessible.
- **Channel for support:** Through a single agency.

5.4 ENTREPRENEURSHIP EDUCATION

The key informants in Ireland, like many of their counterparts in other countries, were convinced that entrepreneurs in general need external assistance with the development of their plans prior to start-up.

They were sceptical that teaching in primary or secondary school provides adequate attention to entrepreneurship or that third level colleges, professional training or continuing education provides adequate preparation for starting and growing new businesses. They did indicate, however, that there were sufficient sources of education and training in entrepreneurship independent of the formal educational system.

The key informants considered that entrepreneurship, as distinct from *business*, could be taught more widely at school and college level, with the greater involvement of entrepreneurs with students and the greater exposure by teachers to enterprise, perhaps through an exchange programme. It was also suggested that students be encouraged to consider starting a business at some time in the future as a real career choice to which they might aspire.

A more general point was also made in terms of encouraging more of the stronger students

coming out of school to consider taking science, maths or engineering related courses at third level so that more would be a position at a later stage to start high tech businesses.

5.5 R&D TRANSFER

The key informants were not convinced that new technology, science or other knowledge from third level colleges was being efficiently transferred into new and growing firms. Neither were they convinced that new firms have the same access to new research and technology as have large established firms.

They were more positive in terms of the quality of the science and technology base in the country and the supports available for engineers and scientists to have their ideas commercialised through new and growing enterprises. Some positive signs were noted that the transfer of technology is beginning to happen with positive effects on start-ups. There was a view, however, that the technology transfer process was still quite complicated and that it was not at all easy to get technology transferred from the third level sector into a company.

The key informants recommended that there should be further development of third level research alongside the greater development of technology transfer mechanisms, with academics being encouraged to work alongside entrepreneurs to get the technology out of the colleges and into companies.

In terms of encouraging a greater involvement by new and developing companies in R&D, the key informants suggested there should be increased R&D tax incentives.

5.6 COMMERCIAL AND LEGAL INFRASTRUCTURE FOR ENTREPRENEURSHIP

The key informants in Ireland were of the opinion that it was relatively easy for new and growing firms to get good banking services and to get good professional, legal and accounting services and that there were sufficient suppliers available to support the establishment and development of businesses. The negative expressed was in terms of their affordability. It was considered that the high cost of bought-in services created difficulties for new and growing firms to remain competitive.

The provision of accommodation for new firms in incubators, in community enterprise centres and in BIC managed





centres, where centralised supports were available, was perceived to be a strength for those entrepreneurs who could benefit from them.

5.7 REGULATION OF MARKET ENTRY

The key informants in Ireland did not highlight concerns about market access. They suggested that new and growing firms can enter new markets, can afford the cost of market entry and can enter markets without being unfairly blocked by established firms.

Given the size of the Irish market, the key informants noted, however, that many new

businesses are forced to consider exports at an earlier stage than would be the case for other new businesses located within a larger home market. The key informants believe that the need to sell into overseas markets at an early stage, combined with a deficit in the skills and capabilities required, poses additional challenges and costs for young Irish companies. They also pointed out the challenge at home and on export markets of persuading purchasers to give business to companies with whom they are not familiar. Government procurement was perceived as a mechanism which could be used to support new enterprises.



SECTION 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 IS ENTREPRENEURSHIP IMPORTANT?

The current economic climate has heightened discussion about entrepreneurship and a reminder of its potential impact is timely.

The benefits that flow from the activities of entrepreneurs are many.⁴⁶ By starting and growing new businesses entrepreneurs contribute to economic growth and development, including job creation. Through their new businesses, entrepreneurs can increase competition, improve productivity, and bring new innovations to market. Innovations by some entrepreneurs are helping Ireland re-position itself as a knowledge economy.

The benefits of entrepreneurship are not just to the national economy. Entrepreneurs play a role in regional development. At a personal level entrepreneurship can be a means to greater material benefits (wealth and status) as well as self fulfilment.

In light of these benefits, the Forfás report - *Towards Developing an Entrepreneurship Policy for Ireland*⁴⁷ set out what it considered to be an achievable vision of Ireland as an entrepreneurial society:

Ireland will be characterised by a strong entrepreneurial culture, recognised for the innovative quality of its entrepreneurs, and acknowledged by entrepreneurs as a world class environment in which to start and grow a business.

Achieving this vision for Ireland will require an entrepreneurship policy that has the entrepreneur and the potential entrepreneur as its central focus. The policy must be conducive to entrepreneurship, maximise the potential of ambitious entrepreneurs, and be delivered in a coordinated manner across the public sector. There is strong evidence

to suggest that enterprises that grow and internationalise have a disproportionately large economic impact. Accordingly, in order to maximise the potential benefits that can flow from entrepreneurship, particularly those related to economic growth, there should be a particular focus on entrepreneurs with an ambition to grow significantly and to internationalise.

Achieving this vision will require realising the full entrepreneurial potential of all those living in Ireland, in whatever county they may live, be they men or women, young or old, all their life living in the country or more newly arrived. As the Tánaiste states in her foreword:

Entrepreneurship in many respects is a grass roots movement. It consists of almost 2,800 individuals starting new businesses every month. That is a lot of new businesses. These are important events in the lives of the individuals concerned, but they happen without any fanfare. It is only when they are looked at together does the scale of their combined impact become evident.

GEM research, however, demonstrates that not all sections of Irish society and not all parts of the country have engaged with entrepreneurship to the same extent.

6.2 IS IRELAND A GOOD PLACE TO START A BUSINESS?

In the light of the benefits of entrepreneurship and the vision for entrepreneurship in Ireland, it is appropriate to consider whether Ireland is a good place in which to start a new business.

The high rate of entrepreneurial activity in Ireland in 2008 and in recent years suggests that Ireland has been a good place to start a new business, particularly as the majority of the entrepreneurs are making a positive

⁴⁶ Building on the range of benefits set out in the EU Green Paper on Entrepreneurship and in the report of the Enterprise Strategy Group, the benefits of entrepreneurship were spelt out in the Forfás report - *Towards Developing an Entrepreneurship Policy for Ireland*. The report identifies strategic, economic, spatial, social and personal benefits.

⁴⁷ *Towards Developing an Entrepreneurship Policy for Ireland*, Forfás, September 2007



choice to become entrepreneurs rather than being forced into it as the only means available to make a living. This is not the case in all countries, with many continental European countries characterised by a lower rate of individuals opting to become an entrepreneur.

In recent years Ireland was characterised by a growing population, a large cohort of which were in the most entrepreneurially active age group, a rapidly growing economy, buoyant consumer demand, and relatively easy access to credit. All of these factors encouraged entrepreneurship.

Ireland is also characterised by a strong entrepreneurial culture. Many people believe that successful entrepreneurs are held in high esteem and that there is positive media coverage of entrepreneurs. Reflecting this supportive culture a large number of people in Ireland aspire to starting a business.

A further reason for believing that Ireland has been a good place to start a business is that entrepreneurship is chosen in Ireland by many well educated individuals. This is important as it is sometimes argued that as education levels increase, incomes will increase, and that the decision to start a business becomes more difficult due to higher 'opportunity costs'. This might explain the significant number of Irish entrepreneurs active in newer technologies. Relative to many other countries, more entrepreneurs in Ireland have high growth aspirations and expect to export. While entrepreneurs are often 'over optimistic' about their prospects, it is generally recognised that the intention to grow or to internationalise, is an important prerequisite to actual growth or internationalisation.

It is clear, however, that the environment for entrepreneurship in Ireland is changing. Reflecting the beginnings of the current economic and financial difficulties, this report highlights how entrepreneurial activity and attitudes towards entrepreneurship have changed.

In 2008, there was a very significant fall in the numbers actively planning to start a new business. There was also a very significant decline in the number of people perceiving good opportunities to start a business. Indeed, it was noted that there was a significant minority of people choosing entrepreneurship because they believed that had no better employment opportunities. Moreover, it was

noted that the rate of exits by entrepreneurs in 2008 is higher than in some other developed countries. There was also a fall in the numbers of people investing in new businesses. In addition, in 2008 the gender gap widened, reversing gains made previously, as less women made the decision to become entrepreneurs. Now once again Ireland has a wider entrepreneurial gender gap than is the norm in other developed countries.

Although the conditions are now more difficult for entrepreneurs than they have been, there may be positive 'legacy' effects from the high levels of entrepreneurship reported in recent years in Ireland. More people have got experience at starting new firms, and a larger population of entrepreneurs has emerged, who may act as role models and a source of advice and encouragement for future entrepreneurs. In terms of the economy more generally, it takes time for new businesses to develop and grow - there are few overnight successes. So while young firms will face difficult market conditions and difficulty in accessing finance, many of tomorrow's success stories are already started.

While the current environment facing new and established businesses is difficult, the stories of recent Irish entrepreneurs highlight that starting a business, even in 'good times' is a challenging event. The stories highlight that entrepreneurs are typically optimistic, hard working, persistent and excited by a challenge. They typically have an absolute belief in their new venture and are convinced that it will be successful. Each of the entrepreneurs profiled emphasises the personal satisfaction and strong motivation that continues to drive them and which sustains them through the long hours that are associated with starting a new business.

6.3 ENHANCING THE ENVIRONMENT FOR ENTREPRENEURS

If one is clear about the benefits of entrepreneurship and the reasons that entrepreneurship should be encouraged, the next question to consider is the manner in which the environment for entrepreneurs in Ireland can be improved.

The recent decline in the international and national economy will have a knock on effect on the entrepreneurial environment and on the opportunities available for entrepreneurs and new enterprises. Development in the broader economic environment will be important in determining the success of

young firms and the extent and nature of entrepreneurship in coming years.

It is clear, however, that there is no fall-off in the numbers setting up new businesses and the development agencies report very high levels of interest in their services by people considering becoming entrepreneurs as a means of creating a job for themselves and getting more control over their own future. More of these enquiries may be driven by necessity than was the case previously, but the interest in entrepreneurship continues.

Outlined below are a number of areas that the GEM research suggest are important to maintaining and developing Ireland as a good place to start and grow a business.

Maintaining and Developing Access to Finance

An important focus of policy should be maintaining and developing access to finance for new and growing firms. GEM reports that entrepreneurs typically start with small amounts of finance. Research from the US shows that even very successful new firms, in terms of those that grow rapidly, are typically started with very small amounts of finance. Given the risks and uncertainties attached to starting a new firm the initial sources of finance used by entrepreneurs are predominantly the entrepreneur's personal financial resources and personal credit, and then investments from close family and friends. The availability of these sources of finance reflects broad economic conditions.

While entrepreneurs can rely on their own funding during the highly uncertain stages of starting a business, for a business to grow it may need to access external sources of finance, such as bank credit or private investors. GEM reports on one aspect of the financing of new businesses - the number of individuals who have recently invested in someone else's new business.

In Ireland, a relatively low number of individuals invest in new businesses. Why is this so? One factor that determines the level of investment in new and growing firms is the rewards that can be made from other investment opportunities. In recent years, investment opportunities such as property have appeared more attractive to investors. When returns from investments in new and growing firms reward investors for the level of risks involved, and are attractive relative to other investment

opportunities, more investment will flow to such firms.

Reducing the Cost of Market Entry

A central tenant of government policy should be to ensure ease of market entry for both existing and new firms. The high levels of entrepreneurial activity in Ireland suggest that in many sectors new firms are able to enter existing and new markets. However, as outlined in previous GEM reports, the Competition Authority has outlined difficulties in gaining access to particular markets in Ireland, often the result of regulations that govern entry.

An on-going concern of experts and entrepreneurs consulted in GEM has been the cost of starting and running a new firm. While the issue of costs is not unique to entrepreneurs starting new firms, given their limited resources, most entrepreneurs are particularly vulnerable to high costs.

The experts and entrepreneurs consulted suggested that government procurement policies could assist new and small firms. While such actions are limited by specific EU rules, experts and entrepreneurs suggest that these EU rules provide significant latitude for governments to be directive in their procurement policies in a manner that could benefit new or small firms.

GEM key informants consistently highlight the additional challenge and costs that are placed on entrepreneurs in Ireland who are forced to move into overseas markets at an earlier stage than would be the case for those with a larger home market or who are located in countries that are part of a larger land mass with open borders. Accordingly, the encouragement and support of entrepreneurs who wish to begin to export is important and it is an area of support that the City and County Enterprise Boards (CEBs), working in partnership with Enterprise Ireland, should bring to greater numbers of entrepreneurs.

Government Programmes of Support

The programmes of support available to entrepreneurs through the development agencies have been highlighted by the key informants as a great strength. Many feel that the supports available at local level through the CEBs, regionally and nationally through Enterprise Ireland, have many positive features. However, they also point out that there is a need for further





coordination at regional level to ensure that the public and private sector are working together in a coordinated manner for the good of entrepreneurs and their new and growing enterprises. They also suggest that entrepreneurs would benefit from a central repository of information on all aspects related to starting a new business, which should be available from a single source.

Of all new start-ups, only a small number innovate, grow or internationalise. While it is difficult to identify these entrepreneurs and firms prior to their successes, there is evidence that a focus of policy and programmes on such firms is more effective at generating economic growth and creating jobs. Government supports and programmes for Irish entrepreneurs and new firms have been highly focussed and targeted at a group of entrepreneurs that are believed to have potential to grow and internationalise. It would appear that this targeted policy is appropriate.

This and previous GEM reports suggest that there may be potential for the development agencies to extend their reach, in terms of the new and growing firms that they support. Of the 2,800 people in Ireland setting up new businesses each month, as many as 500 have high growth expectations. This is a higher number than the enterprise agencies collectively directly support.

GEM reports suggest that a significant number of ambitious entrepreneurs believe that they are innovative in that they are bringing a new product or service to market. Such innovation is often not technical in nature, but reflects new business models or new designs in products or services. These innovations are often outside what is referred to as the 'knowledge economy', yet they depend on new knowledge and insight. Many of these entrepreneurs are within the service sector. The criteria here would appear to be innovation, in the widest sense, and growth rather than a narrow focus on technology sectors. Such a focus would have the additional benefit of enabling more women entrepreneurs to meet the criteria for support from development agencies such as Enterprise Ireland. In particular there is merit in the City and County Enterprise Boards, working closely with Enterprise Ireland, to identify and then engage to a greater extent with local micro enterprises that have the appetite and ambition to grow.

Commercialisation of New Technology

In terms of the narrower definition of innovation, namely technical innovations, the commercialisation of new technologies only occurs in a small number of all new firms. Those entrepreneurs and firms that seek to bring new technologies to market, however, have the potential to contribute very positively to economic growth and job creation. This may be through the very high growth rates achieved by a small number of firms, though it can also occur through the development of many smaller firms using new technologies. GEM provides evidence that, relative to many other developed countries, Ireland has a high number of new firms that are driven by technical innovation. There are many barriers, however, to the successful commercial exploitation of new technologies. The key informants consulted over recent years are not convinced that new technology, science or other knowledge from third level colleges is being efficiently transferred into new and growing firms. Sustained attention to the commercialisation of new technologies, through both new and existing firms, is required for Ireland to maximise the benefits of investments in science.

Entrepreneurship Training and Education

GEM 2008 reported, for the first time, on the extent and nature of entrepreneurship training and education among people in Ireland. While it is difficult to demonstrate the direct impact of such training on the propensity of individuals to start businesses, the data in this report suggests that such training and education does increase the intention to become an entrepreneur. It is important to note, however, that in general, many people in Ireland believe they have the skills, knowledge and experience to start a business, suggesting that there is no particular deficiency in our education system.

The majority of entrepreneurs do not choose to participate in any training related to starting and running a business. Those that look for start your own business type training usually do so when they have decided to explore the concept of entrepreneurship and have at least a tentative aspiration to be an entrepreneur. These potential entrepreneurs are difficult to identify in advance, except perhaps when people are being made redundant.

It is important that potential entrepreneurs are well aware of the sources of information, advice and training available from the City

and County Enterprise Boards, Enterprise Ireland, third level colleges, Business Innovation Centres and other sources. In particular the key influencers that potential entrepreneurs may turn to for advice should be aware of the supports and training available. For their part, those providing entrepreneurship training must ensure that it is appropriate, of high quality, and widely available.

Ongoing Monitoring

There is a need to frequently monitor the environment for entrepreneurs in Ireland to ensure that when gaps or weaknesses occur, that they can be addressed in a timely fashion. The National Entrepreneurship Forum proposed in the Forfás report⁴⁸ has merit in this regard as it is proposed that it would oversee the implementation of policy and monitor progress through Annual Entrepreneurship Reviews, which would be carried out on its behalf. It would highlight

the barriers to progress, set out an agenda for their resolution and prioritise areas to drive progress further.

A highly conducive entrepreneurial environment will make it easier for the drive and energy of entrepreneurs to be successful. Their success in setting up and subsequently growing a greater number of new and innovative businesses can release an array of much needed economic and social benefits.

The importance of entrepreneurship, and the possibilities entrepreneurs offer, deserve serious consideration, policy priority and sustained focus. Entrepreneurship must be driven in a determined and coherent manner harnessing the necessary resources, public and private, at national, regional and local level. In this way the full possibilities that a truly entrepreneurial society presents can be delivered in a manner that brings benefit to all.



⁴⁸ Towards Developing an Entrepreneurship Policy for Ireland, Forfás, September 2007



APPENDIX 1: GLOBAL RESULTS AT A GLANCE

The GEM study includes a wider group of countries than those referenced in this report. The table below provides an overview of entrepreneurial activity measured by GEM. The early-stage prevalence rate (or TEA

index) is nascent entrepreneurs and new firm entrepreneurs combined, while the overall rate of entrepreneurship is early stage entrepreneurs combined with established entrepreneurs.

PREVALENCE RATE (IN %) OF ENTREPRENEURIAL ACTIVITY AND BUSINESS OWNER-MANAGERS ACROSS GEM COUNTRIES IN 2008, FOR THOSE AGED 18-64, BY PHASE OF ECONOMIC DEVELOPMENT.

	Nascent Entrepreneurs	New Firm Entrepreneurs	Early stage Entrepreneurial Activity (TEA)	Established Entrepreneurs	Overall Entrepreneurial Activity	Business Discontinuations Rate	Sample Size
<i>Factor-driven economies</i>							
Angola	19.3	4.1	22.7	4.1	26.0	23.4	1,490
Bolivia	17.4	14.3	29.8	19.1	45.6	10.5	1,879
Bosnia and Herzegovina	6.4	2.7	9.0	8.7	17.1	5.0	1,586
Colombia	13.8	11.7	24.5	14.1	36.7	7.1	2,000
Ecuador	8.7	9.1	17.2	11.9	28.1	5.9	2,142
Egypt	7.9	5.5	13.1	8.0	20.2	6.3	2,603
India	6.9	4.9	11.5	16.5	27.6	10.1	1,919
Iran	5.9	3.4	9.2	6.8	15.7	5.2	3,119
<i>Efficiency-driven economies</i>							
Argentina	8.5	8.5	16.5	13.5	29.6	10.2	1,731
Brazil	2.9	9.3	12.0	14.6	26.4	3.5	2,000
Chile	8.6	5.8	14.1	6.8	20.2	5.8	4,068
Croatia	4.9	2.8	7.6	4.8	12.3	2.9	1,696
Dominican Republic	11.7	9.8	20.4	8.2	27.9	11.3	2,013
Hungary	3.8	2.8	6.6	5.3	11.8	1.1	1,994
Jamaica	9.0	7.1	15.6	9.1	24.3	8.9	2,399
Latvia	3.9	2.8	6.5	3.0	9.4	1.7	2,011
Macedonia	7.2	7.7	14.5	11.0	24.8	5.3	1,746
Mexico	9.3	4.0	13.1	4.9	17.8	13.6	2,433
Peru	19.7	6.8	25.6	8.3	32.7	10.4	1,990
Romania	2.5	1.6	4.0	2.1	5.9	2.2	1,667
Russia	1.7	2.0	3.5	1.1	4.4	1.1	1,660
Serbia	4.0	3.6	7.6	9.3	16.5	3.7	1,813
South Africa	5.7	2.1	7.8	2.3	9.9	5.8	2,719
Turkey	3.2	3.0	6.0	4.8	10.7	3.9	2,400
Uruguay	7.7	4.4	11.9	7.9	19.3	9.1	1,645
<i>Innovation-driven economies</i>							
Belgium	2.0	0.9	2.9	2.6	5.3	1.5	1,997
Denmark	2.3	2.3	4.4	4.4	8.4	1.9	2,012
Finland	4.1	3.3	7.3	9.2	16.0	2.1	2,011
France	3.8	1.9	5.6	2.8	8.2	2.2	1,573
Germany	2.4	1.5	3.8	4.0	7.7	1.8	4,751
Greece	5.3	4.6	9.9	12.6	22.0	2.9	1,962
Iceland	6.5	3.6	10.1	7.1	16.7	3.4	2,002
Ireland	3.3	4.3	7.6	9.0	16.3	3.6	1,924
Israel	3.5	3.1	6.4	4.5	10.6	3.2	1,778
Italy	2.0	2.7	4.6	6.5	11.0	1.8	2,970
Japan	3.2	2.3	5.4	7.9	12.7	1.0	1,879
Korea Republic	3.5	6.5	10.0	12.8	22.6	4.7	2,000
Netherlands	2.1	3.2	5.2	7.2	12.3	1.6	2,534
Norway	5.0	4.0	8.7	7.7	15.8	3.4	1,614
Slovenia	4.1	2.4	6.4	5.6	11.8	1.3	3,019
Spain	3.3	3.9	7.0	9.1	14.8	1.3	30,879
United Kingdom	3.1	2.9	5.9	6.0	11.7	2.1	5,892
United States	5.9	5.0	10.8	8.3	18.7	4.4	3,441

Source: Global Entrepreneurship Monitor 2008 Executive Report, Niels Bosma, Zoltan Acs, Erko Autio, Alicia Coduras and Jonathan Levie, January 2009, available on www.gemconsortium.org

