



THE INTERNATIONAL START-UP SCENE

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PREFACE OF EDITORS

Germany has an enviable reputation. Around the world, the country is famous for writers like JW Goethe, Thomas Mann and Bertolt Brecht, for composers like the Bach family, Beethoven and Brahms, for artists like Albrecht Dürer, Paul Klee and Gerhard Richter, for philosophers like Friedrich Nietzsche, Karl Marx and Immanuel Kant. Germany is also renowned for its achievements in science, technology and engineering. Where was the car invented? Where were the first aspirin tablets produced? In which country were the first X-rays made? The first modern football boots? The answer to all these questions, of course, is Germany, a country that is famous for inventions and patents that have changed the world.

But which country is not performing very well in start-ups – an area where success is essential for a thriving economy? Again, the answer is Germany. Compared to the United States, Germany is lagging behind in all the key metrics. When we contrast Germany to the United States, taking population size into account, Germany has fewer successful start-ups. This book provides a great deal of evidence that shows that a healthy start-up scene is becoming ever more critical in assuring the long-term performance of a country's economy. This fact has been recognised by governments, but not all of them are dealing with this issue with well thought out plans and policies, or if they have such plans, they are not being well implemented.

Nevertheless, in Germany and around the world, countless people have the initiative and courage to take the plunge into setting up their own company. They dare to become entrepreneurs. Unfortunately, in Germany and other countries, many of them fail. There are of course many possible reasons – some personal, some business-related. In many cases, though, failure is not unavoidable. And one of the aims of this book is to demonstrate this.

One critical area in which Germany differs from the United States is what we may term the "culture of failing". In the US, it is almost a badge of honour for entrepreneurs to say that they had to learn by failing, that it took the lessons learned in such a hard way to put them on the path to success. And, in the US, this is completely acceptable and understood. The situation in Germany and many other countries is very different in this regard. Here, failure is not seen in such a light, but almost as something to be ashamed of. So another of the aims of the book is to demonstrate that this is not and should not be the case. The entrepreneurs you will read about here have also had difficult experiences, but talk about how they got through them.

Their stories encourage people who want to have their own company. We see that there are many different reasons for wanting to start your own company, and we are shown that there are many different ways in which a company can grow. One thing our entrepreneurs have in common is that they all firmly believe that starting up your own company is a great thing to do – and this book provides plenty of evidence of that.

The volume you have in your hands starts off by providing an overview of the international start-up scene. The next section of the book moves away from generalities about entrepreneurship around the world to telling the fascinating, moving and motivating stories of individual entrepreneurs. Their stories transport us

to different parts of the world, and cover a wide range of business activities. In their own words, the entrepreneurs tell their stories. We hear how girls in Uganda are being helped, how technology is being developed, new business opportunities in Brazil are being developed and much more. We also hear about how entrepreneurs deal with the challenges they face, like having a healthy work-life balance.

As noted, it is in the interest of everyone that the start-up scene in a country flourishes. Young people play a particularly significant role in this, and this is why we surveyed young people in Germany about their attitude to starting up their own company. The conclusion summarises and draws together the lessons of the various parts of the books.

Several factors make the book unique. It combines an analysis of existing start-ups and the relevant literature with the results of the latest international market research and with case studies from around the world. In addition, the attention that is paid to the attitude of school students throughout Germany to starting up their own company makes a real contribution to the literature – and can be used to develop policies and initiatives that will promote entrepreneurship among young people.

Germany already has much in place to help those who want to start their own company, although of course there is room for improvement. Subsidies are available from the national and local governments, as well as from private and semi-governmental foundations. There are coaches and advisers in entrepreneurship all over the country to meet every need. There is, however, little information in schools and universities, where entrepreneurship by students is rarely encouraged. The attitude of many Germans is not positive towards starting a company, as there is a preference for having a steady job rather than taking risks. This book should counteract this.

Start-ups form the basis of the thriving economy of tomorrow. They encourage innovation, they create employment and they generate wealth. This book shows this and its authors are confident that many of the book's readers with their own firms will find in it ways of solving problems they are facing. Most of all, we hope that it encourages individuals to take that exciting and challenging first step into entrepreneurship!

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1. STARTING UP AROUND THE WORLD: THE INTERNATIONAL START-UP SCENE

1.1 INTRODUCTION

Compared to the United States, other countries have historically lagged behind in terms of the number of new businesses founded per inhabitant. The United States has a long tradition of entrepreneurship, and people around the world know that Apple was started in a garage, Hewlett-Packard in a basement, and Facebook in a Harvard student dormitory. These incredible success stories represent only the tip of the iceberg. However, each day hundreds of new companies are started in the United States; in March 2014 an amazing total of 653,647 businesses were less than one year old.¹

Small businesses make a massive contribution to any economy. Staying with the US, the US Small Business Administration² reports that:

- The 23 million small businesses in America account for 54% of all U.S. sales.
- Small businesses provide 55% of all jobs and 66% of all net new jobs since the 1970s.
- The 600,000 plus franchised small businesses in the U.S. account for 40% of all retail sales and provide jobs for some 8 million people.
- The small business sector in America occupies 30-50% of all commercial space, an estimated 20-34 billion square feet.
- Since 1990, as big business eliminated 4 million jobs, small businesses added 8 million new jobs

Just as in the United States, small businesses are vital, and more and more governments are introducing measure to encourage people to go out and start their own business. Regardless of the degree of government support, the entrepreneurs whose stories you will find in this volume are each contributing in their own way to making their country's economy more successful.

The entrepreneurial process obviously varies according to country in terms of details. In this chapter we use the framework of the Global Entrepreneurship Monitor which is shown in Figure 1: The Entrepreneurial Process.

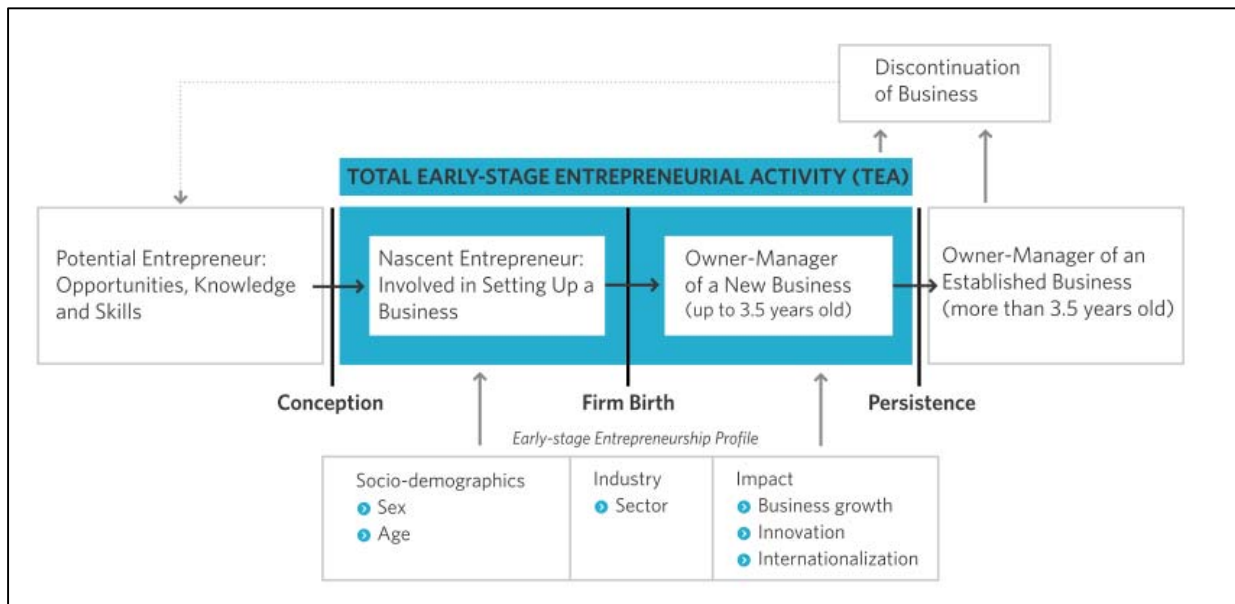
As can be seen, the model shows a multiphase process. At the beginning, there are potential entrepreneurs – those individuals who possess entrepreneurial attitudes and who believe they have the skills and knowledge needed to launch their own company when they have found a suitable business opportunity. One of the factors that determines whether or not they take the next step is to what extent the society and economy of which they are members views entrepreneurs and entrepreneurship as something positive that should be encouraged.

¹ Bureau of Labor Statistics. *Number of private sector establishments by age.*
http://www.bls.gov/bdm/us_age_naics_00_table5.txt Accessed 21 January 2015.

² Small Business Administration.
<https://www.sba.gov/offices/headquarters/ocpl/resources/13493> Accessed 21 January 2015.

The next phase is nascent entrepreneurial activity. This comprises the first three months of business. This is the stage at which companies are at their most vulnerable, with failure rates being at their highest. As a consequence, not all nascent entrepreneurs reach the next stage – being a new business owner. New businesses are defined by GEM as being run by nascent entrepreneurs who have been in business for more than three months but less than three and a half years. The activities of nascent and new business owners form what GEM calls “total early-stage entrepreneurial activity (TEA)”.

Figure 1: The Entrepreneurial Process³



Once a business is over three and a half years old, it then becomes an established business. At this stage, the entrepreneur may still for one of many various reasons discontinue the business, or may become a serial entrepreneur. In any case, they often become a valuable resource for nascent entrepreneurs and the owners of new business, being able to provide advice and other forms of support. Many of the stories in this volume show how important this can be for other, not necessarily less experienced, entrepreneurs.

In this volume and indeed, in this chapter, we focus on Total Early-Stage Entrepreneurial Activity. In this chapter we discuss entrepreneurship around the world, showing the main factors that have an impact on the level of business establishment. First, we provide a framework for understanding entrepreneurial activities around the world. Next, we provide data about various aspects of entrepreneurship around the globe, including attitudes to and perceptions of entrepreneurship. After that we report on entrepreneurial activities and orientations, and finally we review some of the conditions that facilitate entrepreneurship.

³ Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*. London: GEM. P. 19

1.2 A FRAMEWORK FOR ENTREPRENEURSHIP

A critical determining factor for the extent of entrepreneurship at the national level are the characteristics of the economy.

The World Economic Forum's Global Competitiveness Report⁴ classifies economies as being at one three levels, which have a profound impact on the state of entrepreneurship in the economy. In particular, the levels play a significant role in setting constraints on the kind of startup that can be founded, the competitive advantages it must develop and the limitations it must deal with.

Figure 2: World Economic Forum's framework for global competitiveness⁵

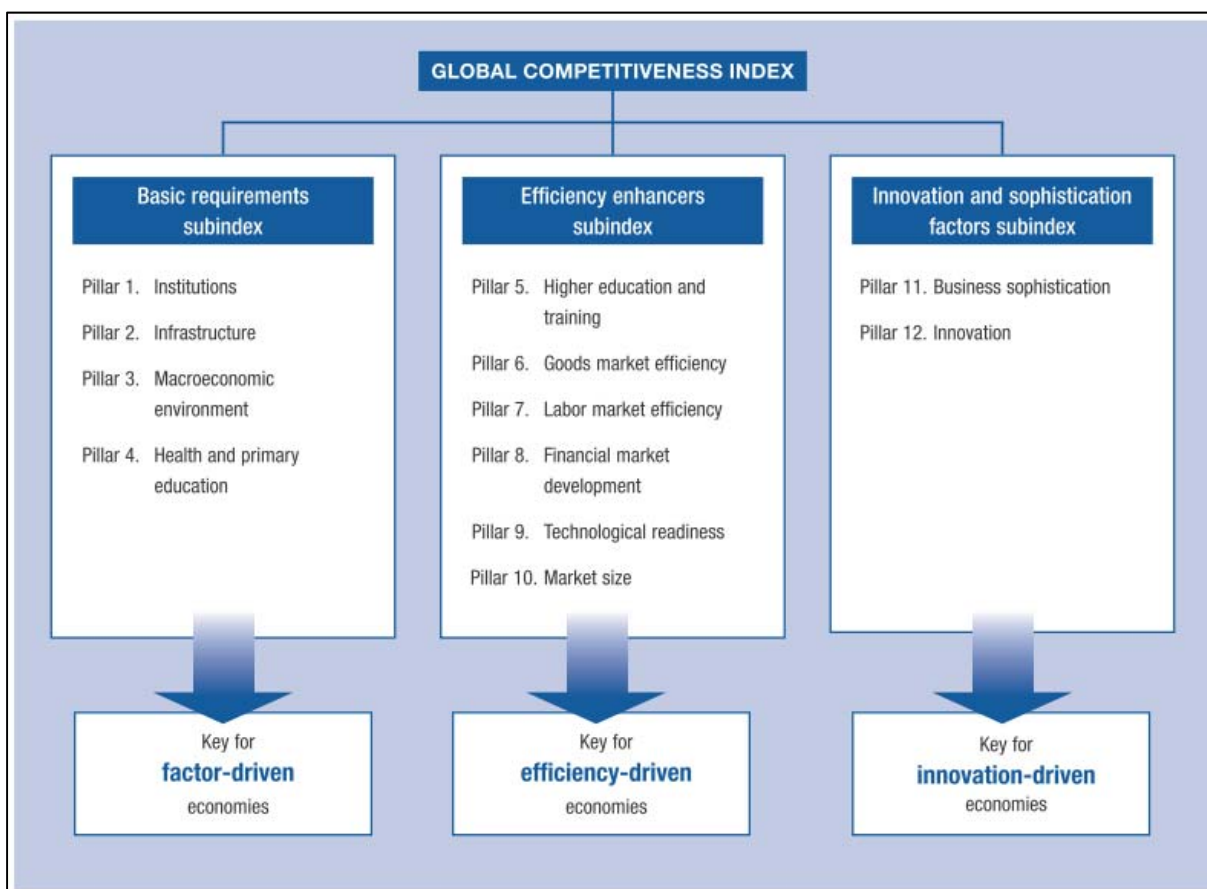


Figure 2: World Economic Forum's framework for global competitiveness shows the World Economic Forum's framework for global competitiveness. It makes clear the relationship between the pillars of competitiveness and the stage of the economy.

Factor-driven economies: at this stage countries compete based on their factor endowments, primarily unskilled labour and natural resources. Companies compete on the basis of prices and sell basic products or commodities, with their low productivity reflected in low wages.

⁴ Schwab, K. and Sala-i-Martin, X. 2014. *The Global Competitiveness Report 2014–2015*. Geneva: World Economic Forum.

⁵ Source: Schwab, K. and Sala-i-Martin, X. 2014. *The Global Competitiveness Report 2014–2015*. Geneva: World Economic Forum. P.9

Efficiency-driven economies: as economies develop to reach this stage, they must begin to develop more efficient production processes and increase product quality.

Innovation-driven economies: at this stage, economies are only able to sustain higher wages and a higher standard of living if their businesses are able to compete by providing new or unique products.

The lesson here for entrepreneurs is that their business ideas must be at least partly aligned with the stage of the economy, and that entrepreneurship and innovation tend to thrive more as development advances.

The impact of each pillar on competitiveness varies across countries, related to their stages of economic development. This can be seen in Figure 3: Economies by region and development level, which shows economies by region and development level. We may thus expect – and the data support this proposition – that innovation and efficiency-driven economies tend to provide a more favourable economic environment for entrepreneurship.

Figure 3: Economies by region and development level⁶

Region	Factor- Driven Economies	Efficiency-Driven Economies	Innovation-driven Economies
Latin America & Caribbean		Argentina ² , Brazil ² , Barbados ² , Chile ² , Colombia, Ecuador, Guatemala, Jamaica, Mexico ² , Panama ² , Peru, Suriname, Uruguay ²	Trinidad and Tobago
Middle East & North Africa	Algeria ¹ , Iran ¹ , Libya ¹		Israel
Sub-Saharan Africa	Angola ¹ , Botswana ¹ , Ghana, Malawi, Nigeria, Uganda, Zambia	Namibia, South Africa	
Asia Pacific & South Asia	India, Philippines ¹ , Vietnam	China, Indonesia, Malaysia ² , Thailand	Japan, Republic of Korea, Singapore, Taiwan
Europe - EU28		Croatia ² , Estonia ² , Hungary ² , Latvia ² , Lithuania ² , Poland ² , Romania, Slovak Republic ²	Belgium, Czech Republic, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain, Sweden, United Kingdom
Europe - Non-EU28		Bosnia and Herzegovina, Macedonia, Russian Federation ² , Turkey ²	Norway, Switzerland
North America			Canada, Puerto Rico*, United States

1) In transition phase between Factor-Driven and Efficiency-Driven
2) In transition phase between Efficiency-Driven and Innovation-Driven
* Puerto Rico is considered to be a part of North America for its status as an associate state to the United States, even though this economy shares many characteristics of Latin American and Caribbean countries.

⁶ Source: Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*. London: GEM. P.17

An invaluable tool for being able to understand entrepreneurship on an international basis is the conceptual framework developed by the Global Entrepreneurship Monitor⁷. It has two main aspects: entrepreneurial framework conditions and entrepreneurship profiles.

1.2.1 Entrepreneurial Framework Conditions

These conditions build on the World Economic Forum's Global Competitive Index. First, it describes some basic requirements that must be in place for the possibility of entrepreneurship to exist at a reasonable level. The following are required for factor-driven economies:

- Institutions – both governmental and non-governmental; the legal and administrative framework within which individuals, firms, and governments interact.
- Infrastructure – transport, telecommunications etc.
- Macroeconomic stability – the health of the economy and the extent to which it does not suddenly go into a slump. Fiscal deficits limits the government's ability to react to business cycles; out of control inflation means firms cannot operate efficiently.
- Health and primary education – clearly of vital importance for having a workforce that has a high degree of literacy. Poor health is clearly unwanted by the individual and increases costs for business.

The requirements above are not met as often in factor-driven economies than in efficiency-driven economies, where the following efficiency enhancers are to a greater or lesser degree present:

- Higher education and training – vital for economies and the companies in them that want to move beyond simple production processes and products.
- Goods market efficiency – this depends on factors such as the Intensity of local competition, the extent of market dominance, the extent and effect of taxation and the prevalence of trade barriers.
- Labour market efficiency – means that workers are allocated to their most effective use in the economy and provided with incentives to give their best effort in their jobs. Efficient labour markets have the flexibility to shift workers from one economic activity to another rapidly and at low cost.
- Financial market sophistication – means that there are mechanisms in place to make capital available for private-sector investment, i.e. loans from a healthy banking sector, securities exchanges, venture capital, and other financial products. Financial resources can be channelled to areas of entrepreneurial activity based purely on financial reasons.
- Technological readiness – the ability of economic actors to take full advantage of information and communication technologies in all areas of business activity (front office and back office, production processes etc.) to improve efficiency and effectiveness, and therefore competitiveness.

⁷ Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*. London: GEM. They use as a basis Schwab, K., Sala-i-Martin, X. 2014. *The Global Competitiveness Report 2014–2015*. Geneva: World Economic Forum, from which the definitions here are drawn.

- Market size – the larger the market, the greater the potential for economies of scale. As globalisation has progressed, markets have become bigger and bigger. Entrepreneurs operating in a country where it is easy to access markets outside the country therefore are in a more favourable position than when this is not possible.

Innovation-driven economies benefit from a range of innovation and entrepreneurship factors, which may essentially be described as being more specialised versions of the efficiency enhancers:

- Entrepreneurial finance – the extent and variety of sources of finance for entrepreneurs
- Government policy – at a general level the degree to which the government is friendly towards business
- Government entrepreneurship programmes – these are aimed at entrepreneurs in particular, with the goal of encouraging entrepreneurship.
- Entrepreneurship education – providing new skills and knowledge to existing entrepreneurs and future entrepreneurs.
- R&D transfer – one significant source of innovative ideas are universities and other forms of higher education. The researchers, either alone or with other entrepreneurs, can take the results of their research and commercialise them.
- Internal market openness – the ease of entering a particular market.
- Physical infrastructure for entrepreneurship – a key success factor for entrepreneurs is the physical infrastructure, including communication, energy, power, transportation and other utilities.
- Commercial, legal infrastructure for entrepreneurship – commercial and legal structures that are in place to allow companies to do business without having to worry, for example, about whether or not contracts are respected or property rights.
- Cultural and social norms – the extent to which entrepreneurship is viewed positively. As just outlined, the economic background and stage of development of the economy is significant in determining the kind and degree of entrepreneurship. This represents, however, only part of the story. Equally important are the social, cultural and political context. Is entrepreneurship something that is valued by society? Is there a culture of entrepreneurship?

The framework that has been described so far has been concerned with the external world – we have provided an overview of entrepreneurial framework conditions. However, no matter how favourable the entrepreneurial framework conditions are, it is an individual who has to make the decision to take the steps to become an entrepreneur.

1.2.2 Entrepreneurship Profile

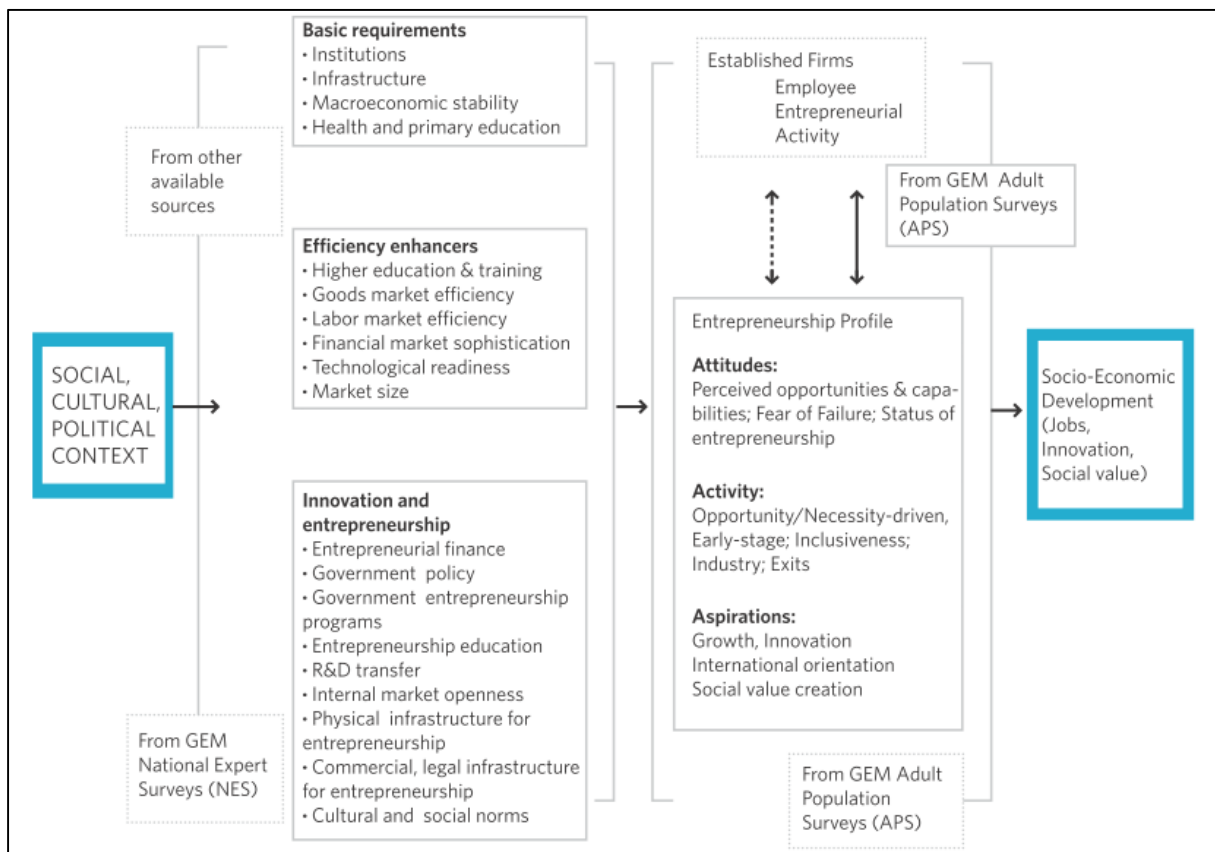
Amorós and Bosma (2014)⁸ report on the entrepreneurship profile, which has three aspects:

- Attitudes – which depend on perceived opportunities & capabilities; fear of failure; status of entrepreneurship
- Activity – which relate to opportunity or necessity-driven; early-stage; inclusiveness; industry; exits
- Aspirations – which may include growth; innovation; international orientation; social value creation.

The final part of the framework is the social and economic effect of entrepreneurial activity. As mentioned in the introduction, small firms play a significant role in economies, both in terms of jobs and in the ways in which they add social value and drive innovation.

The framework is shown in figure 4.

Figure 4: GEM Conceptual Framework⁹



⁸ Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*. London: GEM. They use as a basis Schwab, K., Sala-i-Martin, X. 2014. *The Global Competitiveness Report 2014–2015*. Geneva: World Economic Forum, from which the definitions here are drawn.

⁹ Source: Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*.

1.3 ENTREPRENEURSHIP AROUND THE WORLD

An entrepreneur has to decide to start their own company. In this section we begin by considering attitudes and perceptions, and then turn to entrepreneurial activity itself.

1.3.1 Perceptions and Attitudes

The Global Entrepreneurship Monitor makes available data that has been gathered in many countries.¹⁰ The process that they use to gather the data is described on their website: it is an extensive and intensive effort. They carry out interviews and gather data in order to find out about factors that may influence individuals in their choice as to whether or not to become entrepreneurs. Table 1: Attitudes to and perceptions of entrepreneurship 2013 shows for a large number of countries some of the most important variables for 2013:

- Perceived Opportunities
 - Percentage of 18-64 who see good opportunities to start a firm in the area where they live
- Perceived Capabilities
 - Percentage of 18-64 population who believe to have the required skills and knowledge to start a business
- Fear of Failure Rate
 - Percentage of 18-64 population with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business
- Entrepreneurial Intention
 - Percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who intend to start a business within three years
- Entrepreneurship as Good Career Choice
 - Percentage of 18-64 population who agree with the statement that in their country, most people consider starting a business as a desirable career choice
- High Status Successful Entrepreneurship
 - Percentage of 18-64 population who agree with the statement that in their country, successful entrepreneurs receive high status
- Media Attention for Entrepreneurship
 - Percentage of 18-64 population who agree with the statement that in their country, you will often see stories in the public media about successful new businesses

¹⁰ <http://www.gemconsortium.org/Data>

Table 1: Attitudes to and perceptions of entrepreneurship 2013¹¹

	Country	Perceived opportunities	Perceived capabilities	Fear of failure	Entrepreneurial intentions	Entrepreneurship as good career choice	High status to successful entrepreneurs	Media attention to successful entrepreneurs
Latin America and Caribbean	Argentina	40.9	61.7	24.9	31.0			
	Brazil	50.9	52.6	38.7	27.2	84.6	82.2	84.1
	Chile	68.4	59.6	28.0	46.5	69.1	67.2	66.3
	Colombia	67.7	57.8	31.8	54.5	90.9	71.4	67.5
	Ecuador	57.3	74.3	34.9	39.9	66.5	67.7	79.1
	Guatemala	58.8	66.4	33.3	39.0	86.8	71.5	55.1
	Jamaica	51.2	79.1	27.0	39.5	79.4	80.9	81.7
	Mexico	53.6	58.5	31.6	16.9	57.8	62.3	50.8
	Panama	58.7	66.4	28.9	27.0	64.4	59.2	70.4
	Peru	61.0	62.2	25.7	33.9	70.4	71.2	71.5
	Suriname	52.7	53.5	24.4	13.1	75.6	79.3	65.9
	Trinidad	58.0	75.3	19.8	28.7	79.5	72.0	61.0
	Uruguay	47.9	61.1	26.9	25.3	58.1	56.0	57.5
	Average	55.9	63.7	28.9	32.5	73.6	70.1	67.6
Middle East and North Africa	Algeria	61.9	55.5	32.9	36.0	79.6	84.2	47.4
	Iran	37.0	56.5	36.4	30.6	64.1	82.4	59.9
	Israel	46.5	36.2	51.8	24.0	60.6	80.3	49.1
	Libya	52.3	58.6	33.0	62.1	85.2	84.3	38.2
		Average	49.4	51.7	38.5	38.2	72.4	82.8

¹¹ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

	Country	Perceived opportunities	Perceived capabilities	Fear of failure	Entrepreneurial intentions	Entrepreneurship as good career choice	High status to successful entrepreneurs	Media attention to successful entrepreneurs
Africa	Angola	56.7	56.3	63.7	38.3	66.8	72.6	62.1
	Botswana	65.9	67.4	18.6	59.2	80.7	83.7	85.6
	Ghana	69.3	85.8	24.6	45.6	81.6	94.1	82.4
	Malawi	78.9	89.5	15.1	66.7			
	Nigeria	84.7	87.0	16.3	46.8	81.2	61.9	76.5
	South Africa	37.9	42.7	27.3	12.8	74.0	74.7	78.4
	Uganda	81.1	83.8	15.0	60.7	88.3	95.3	87.5
	Zambia	76.8	79.6	15.4	44.5	66.5	71.2	69.0
	Average	68.9	74.0	24.5	46.8	77.0	79.1	77.4
Asia Pacific and South Asia	China	33.0	36.2	34.3	14.3	69.6	73.5	71.3
	India	41.4	55.7	38.9	22.7	61.4	70.3	61.3
	Indonesia	46.6	62.0	35.1	35.0	70.8	79.8	75.2
	Japan	7.6	49.3	49.3	4.0	70.8	52.7	57.6
	Korea	12.7	42.2	42.2	12.0	51.3	67.8	67.5
	Malaysia	40.7	33.3	33.3	11.8	41.8	44.9	62.2
	Philippines	47.9	68.4	36.1	44.1	84.8	79.2	86.7
	Singapore	22.2	24.7	39.7	15.0	50.9	59.3	75.3
	Taiwan	42.0	27.2	40.6	27.8	72.9	64.4	87.0
	Thailand	45.3	44.3	49.3	18.4	74.5	74.8	77.1
	Vietnam	36.8	48.7	56.7	24.1	81.5	80.5	80.5
	Average	34.2	39.7	41.5	20.9	61.2	68.1	72.9
Europe (EU)	Belgium	31.5	33.8	46.6	46.6	54.8	52.2	43.9
	Croatia	17.6	47.2	35.2	35.2	61.5	43.1	42.9
	Czech Republic	23.1	42.6	35.8	35.8	47.8		
	Estonia	46.1	40.0	38.8	38.8	53.2	58.6	40.7
	Finland	43.8	33.3	36.7	36.7	44.3	85.5	68.5
	France	22.9	33.2	41.1	41.1	55.3	70.0	41.4
	Germany	31.3	37.7	38.6	38.6	49.4	75.2	49.9
	Greece	13.5	46.0	49.3	49.3	60.1	65.1	32.4
	Hungary	18.9	37.5	44.8	44.8	45.7	74.1	28.4
	Ireland	28.3	43.1	40.4	40.4	49.6	81.2	59.9
	Italy	17.3	29.1	48.6	48.6	65.6	72.4	48.1
	Latvia	34.8	47.8	41.6	41.6	61.4	59.5	58.6
	Lithuania	28.7	35.4	41.7	41.7	68.6	57.2	47.6

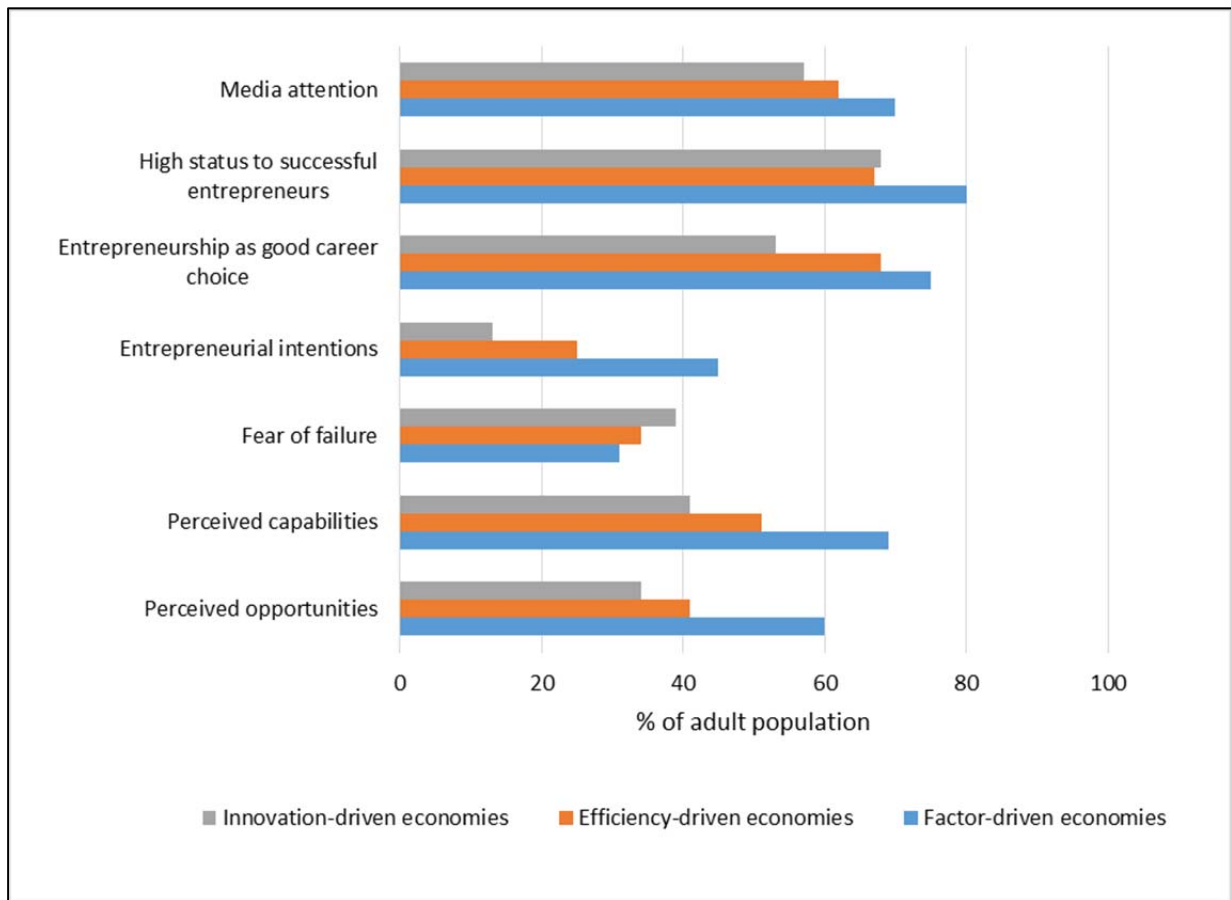
	Country	Perceived opportunities	Perceived capabilities	Fear of failure	Entrepreneurial intentions	Entrepreneurship as good career choice	High status to successful entrepreneurs	Media attention to successful entrepreneurs
Europe (EU)	Luxembourg	45.6	43.3	42.9	42.9	39.4	70.6	36.3
	Netherlands	32.7	42.4	36.8	36.8	79.5	66.2	55.2
	Poland	26.1	51.8	46.7	46.7	66.8	59.9	58.5
	Portugal	20.2	48.7	40.1	40.1			
	Romania	28.9	45.9	37.3	37.3	73.6	72.6	61.3
	Slovakia	16.1	51.0	33.2	33.2	49.2	58.5	51.7
	Slovenia	16.1	51.5	29.6	29.6	57.4	68.1	50.5
	Spain	16.0	48.4	36.3	36.3	54.3	52.3	45.6
	Sweden	64.4	38.8	36.6	36.6	52.0	71.5	58.5
	UK	35.5	43.8	36.4	26.4	54.1	79.3	49.6
	Average	28.7	42.3	39.8	39.8	56.9	65.5	49.0
Europe (other)	Bosnia Herzegovina	23.3	50.5	26.1	26.1	82.3	71.9	39.2
	Macedonia	37.2	49.7	35.6	35.6	69.5	67.9	66.8
	Norway	63.7	34.2	35.3	35.3	49.3	75.5	56.9
	Russia	18.2	42063	29.0	29.0	65.7	68.0	49.0
	Switzerland	41.5	44.7	28.2	28.2	40.5	65.0	47.8
	Average	36.8	41.5	30.8	30.8	61.5	69.7	51.9
North America	Canada	57.4	48.5	35.2	35.2	60.6	70.1	69.6
	Puerto Rico	28.3	53.0	24.6	24.6	17.9	50.1	68.8
	United States	47.2	55.7	31.1	31.1			
	Average	44.3	52.4	30.3	30.3	39.3	60.1	69.2

As Table 1 shows, there are large variations between economies and within economies. A couple of points of interest are worth mentioning. Firstly, the fact that someone perceives that there are many opportunities does not necessarily imply that they perceive that they have the required capabilities. Notice, for example, that the sub-Saharan countries score highly on these variables – and in these countries, there tends to be a higher rate of entrepreneurship, meaning that people tend to act when they perceive opportunities and believe they can start a business. Compared to this, EU countries score lower on these variables, suggesting that entrepreneurship rates will be lower. Indeed, this turns out to be the case.

Secondly, we can generalise from these indicators to say that “perceived opportunities and capabilities tend to decline with greater development levels.”¹² Figure 5: Entrepreneurial Perceptions and Economic Development 2013 shows the relationship between the phase of the development of an economy and entrepreneurial perceptions and attitudes.

¹² Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*. London: GEM. P. 28.

Figure 5: Entrepreneurial Perceptions and Economic Development 2013¹³



As discussed above, factor-driven economies are often based on raw materials, efficiency-driven economies have more developed industry, while innovation-driven economies tend to be based on knowledge and an excellent infrastructure – typical innovation-driven economies are those of the EU and North America. As Figure 5: Entrepreneurial Perceptions and Economic Development 2013 demonstrates, fewer individuals in these economies, when compared to people in economies in other stages of development, perceive entrepreneurship to be a good career choice (slightly more than half, compared to three-quarters in factor-driven economies). This is despite the large amounts of time and money that the governments are pouring in to programmes designed to encourage entrepreneurship. Such a feeling is clearly related to the much lower number of individuals in these economies who have entrepreneurial intentions compared to other types of economy; three times as many people from factor-driven economies and twice as many from efficiency-driven economies intend to set up their own business. Consistent with this are the findings regarding fear of failure. There are differences between the different phases of economic development: 31% of respondents from factor-driven economies, 35% efficiency-driven economies and 40% from innovation-driven economies had a fear of failure.

One very significant finding is that individuals from factor-driven economies are almost twice as likely to perceive opportunities for entrepreneurship as people from innovation-driven economies. On top of that, while 41% of respondents from innovation-driven economies perceive they have the capabilities to be an

¹³ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

entrepreneur, and 51% of respondents from efficiency-driven economies feel the same, 70% of those who are in one of the factor-driven economies felt that they have the competences needed to run their own company.

In summary: the data from the GEM survey support the proposition that the greater the development level of an economy, the less positive are perceptions and attitudes towards entrepreneurship.

1.3.2 Entrepreneurial Activity

We have just reviewed attitudes and perceptions of people around the world related to entrepreneurship; this next issue we address is: what is the state of entrepreneurial activity. Again, we use data from the Global Entrepreneurship Monitor¹⁴, this time to describe the following variables:

- Nascent Entrepreneurship Rate
 - Percentage of 18-64 population who are currently a nascent entrepreneur, i.e., actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than three months.
- New Business Ownership Rate
 - Percentage of 18-64 population who are currently a owner-manager of a new business, i.e., owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than three months, but not more than 42 months.
- Total early-stage Entrepreneurial Activity (TEA)
 - Percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business.
- Established Business Ownership Rate
 - Percentage of 18-64 population who are currently owner-manager of an established business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months
- Discontinuation of businesses
 - Percentage of 18-64 population who in the past 12 months have discontinued a business either by selling, shutting down operations or otherwise discontinuing an owner/manager relationship with the business.
- Necessity-Driven
 - Percentage of those involved in TEA who are involved in entrepreneurship because they had no other option for work
- Improvement-Driven
 - Percentage of those involved in TEA who (i) claim to be driven by opportunity as opposed to finding no other option for work; and (ii) who indicate the main driver for being involved in this opportunity is being independent or increasing their income, rather than just maintaining their income.

Table 2: Entrepreneurial Activity 2013 shows the phases of entrepreneurial activity.

¹⁴ Available at <http://www.gemconsortium.org/Data>

Table 2: Entrepreneurial Activity 2013¹⁵

	Country	Nascent Entrepreneurship Rate	New Business Ownership Rate	Total early-stage Entrepreneurial Activity (TEA)	Established Business Ownership Rate	Discontinuation of businesses	Necessity-Driven	Improvement-Driven
Latin America and Caribbean	Argentina	10,5	5,6	15,9	9,6	5,5	29,8	47,4
	Brazil	5,1	12,6	17,3	15,4	4,7	28,6	57,4
	Chile	15,4	9,6	24,3	8,5	7,6	20,1	57,7
	Colombia	13,6	10,3	23,7	5,9	5,4	18,1	26,7
	Ecuador	25,3	13,6	36	18	8,3	33,6	32,1
	Guatemala	7,6	4,9	12,3	5,1	3	31,4	44,2
	Jamaica	8	6	13,8	6,3	7,4	40,6	34,2
	Mexico	11,9	3,3	14,8	4,2	6,6	6,7	26,3
	Panama	15,4	5,2	20,6	3,5	3,4	18,6	39,8
	Peru	17,8	5,9	23,4	5,4	4,2	22,5	54,2
	Suriname	3,9	1,3	5,1	1,7	0,8	17,8	57,6
	Trinidad	11,4	8,5	19,5	11,4	4,1	11,2	76
	Uruguay	8,5	5,7	14,1	4,9	3,4	12	36,8
	Average	11,9	7,1	18,5	7,7	4,9	22,4	45,4
Middle East and North Africa	Algeria	2,2	2,6	4,9	5,4	3,3	21,3	62,3
	Iran	6,4	6,1	12,3	10,6	5,7	38	35,8
	Israel	5,3	4,8	10	5,9	4,8	17,4	49,2
	Libya	6,6	4,7	11,2	3,4	8,1	8,1	60,3
	Average	5,1	4,6	9,6	6,4	5,5	21,2	51,9
Africa	Angola	8	14,7	22,2	8,5	24,1	26,1	40,3
	Botswana	11	10,2	20,9	3,4	17,7	26,3	52
	Ghana	8,5	17,7	25,8	25,9	8,3	33,3	44,1
	Malawi	10,1	18,8	28,1	12	30,2	43,7	29,4
	Nigeria	20	20,7	39,9	17,5	7,9	25,4	52,3
	South Africa	6,6	4	10,6	2,9	4,9	30,3	31,5
	Uganda	5,6	20	25,2	36,1	20,1	25,1	47,5
	Zambia	22,6	18	39,9	16,6	19,8	38,8	37,2
	Average	11,5	15,5	26,6	15,4	16,6	31,1	41,8

¹⁵ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

	Country	Nascent Entrepreneurship Rate	New Business Ownership Rate	Total early-stage Entrepreneurial Activity (TEA)	Established Business Ownership Rate	Discontinuation of businesses	Necessity-Driven	Improvement-Driven
Asia Pacific and South Asia	China	5,2	8,9	14	11	2,7	33,9	35,9
	India	5,1	4,9	9,9	10,7	1,5	38,8	35,9
	Indonesia	5,7	20,4	25,5	21,2	2,4	25,4	43,7
	Japan	2,2	1,5	3,7	5,7	1,5	25	59,6
	Korea	2,7	4,2	6,9	9	2,5	36,5	51,1
	Malaysia	1,5	5,2	6,6	6	1,5	18,4	64,9
	Philippines	12	6,7	18,5	6,6	12,3	43,6	38
	Singapore	6,4	4,4	10,7	4,2	3,3	8,4	68,8
	Taiwan	3,3	5	8,2	8,3	5	28,7	45,8
	Thailand	7,9	10,4	17,7	28	3,5	18,7	67,8
	Vietnam	4	11,5	15,4	16,4	4,2	25,1	62,2
	Average	5,1	7,6	12,4	11,6	3,7	27,5	52,2
Europe (EU)	Belgium	3,1	1,9	4,9	5,9	1,9	29	43,9
	Croatia	6,3	2	8,3	3,3	4,5	37,4	29,8
	Czech Republic	4,9	2,7	7,3	5,3	3,4	22,7	60,3
	Estonia	8,8	4,5	13,1	5	2,1	14,8	50,1
	Finland	2,7	2,7	5,3	6,6	2	17,9	66
	France	2,7	1,8	4,6	4,1	1,9	15,7	60,9
	Germany	3,1	2	5	5,1	1,5	18,7	55,7
	Greece	3,3	2,3	5,5	12,6	5	23,5	35,8
	Hungary	6	3,7	9,7	7,2	2,9	28	38,7
	Ireland	5,5	3,8	9,2	7,5	2,5	18	43,8
	Italy	2,4	1,1	3,4	3,7	1,9	18,7	18,4
	Latvia	8,1	5,3	13,3	8,8	3,5	21,2	52,7
	Lithuania	6,1	6,4	12,4	8,3	3,5	23,3	55,2
	Luxembourg	6	2,8	8,7	2,4	2,8	5,6	56,6
	Netherlands	4,7	4,8	9,3	8,7	2,1	8	67,1
	Poland	5,1	4,3	9,3	6,5	4	47,4	32,7
	Portugal	4,2	4,2	8,2	7,7	2,8	21,4	50,7
	Romania	6,2	4,2	10,1	5,3	4,3	31,6	31,6
	Slovakia	6,1	3,6	9,5	5,4	5,5	40,2	40,2
	Slovenia	3,6	2,9	6,5	5,7	2,6	24,1	53,4
	Spain	3,1	2,2	5,2	8,4	1,9	29,2	33,2
	Sweden	5,9	2,5	8,2	6	2,4	9,7	58,4
	UK	3,6	3,6	7,1	6,6	1,9	16,1	45,2
Average	4,8	3,3	8	6,4	2,9	22,7	47	

	Country	Nascent Entrepreneurship Rate	New Business Ownership Rate	Total early-stage Entrepreneurial Activity (TEA)	Established Business Ownership Rate	Discontinuation of businesses	Necessity-Driven	Improvement-Driven
Europe (other)	Bosnia Herzegovina	5,8	4,6	10,3	4,5	6,2	58,9	22
	Macedonia	3,4	3,5	6,6	7,3	3,3	61	22,9
	Norway	2,9	3,4	6,3	6,2	1,6	4	60,8
	Russia	3	2,8	5,8	3,4	1,6	35,4	42
	Switzerland	4,5	3,7	8,2	10	2,3	7,5	67,2
	Average	3,9	3,6	7,4	6,3	3	33,4	43
North America	Canada	7,8	4,7	12,2	8,4	4,4	15,1	66,9
	Puerto Rico	6,6	1,8	8,3	2	1,8	21,5	42,9
	United States	9,2	3,7	12,7	7,5	3,8	21,2	57,4
	Average	7,8	3,4	11,1	6	3,3	19,3	55,7

A first review of Table 2: Entrepreneurial Activity 2013 shows that Total Early-Stage Entrepreneurial Activity (defined as the percentage of the population who are either nascent entrepreneurs (who are either planning their own business, or running a business that is no more than three months old) or owner-managers of new firms (a business that is in its first 3 – 42 months of existence) varies considerably according to region, The table also shows, however, that rates of TEA are not necessarily very closely related to the stage of economic development, as the example of Sub-Saharan Africa shows.

Similarly, we can observe differences when we start to look at the reasons why individuals become entrepreneurs, as shown in Table 2 within the points necessity and improvement-driven, but again, we must be careful not to argue that there is a strong and direct correlation between the phase of economic development and why people are motivated to become entrepreneurs.

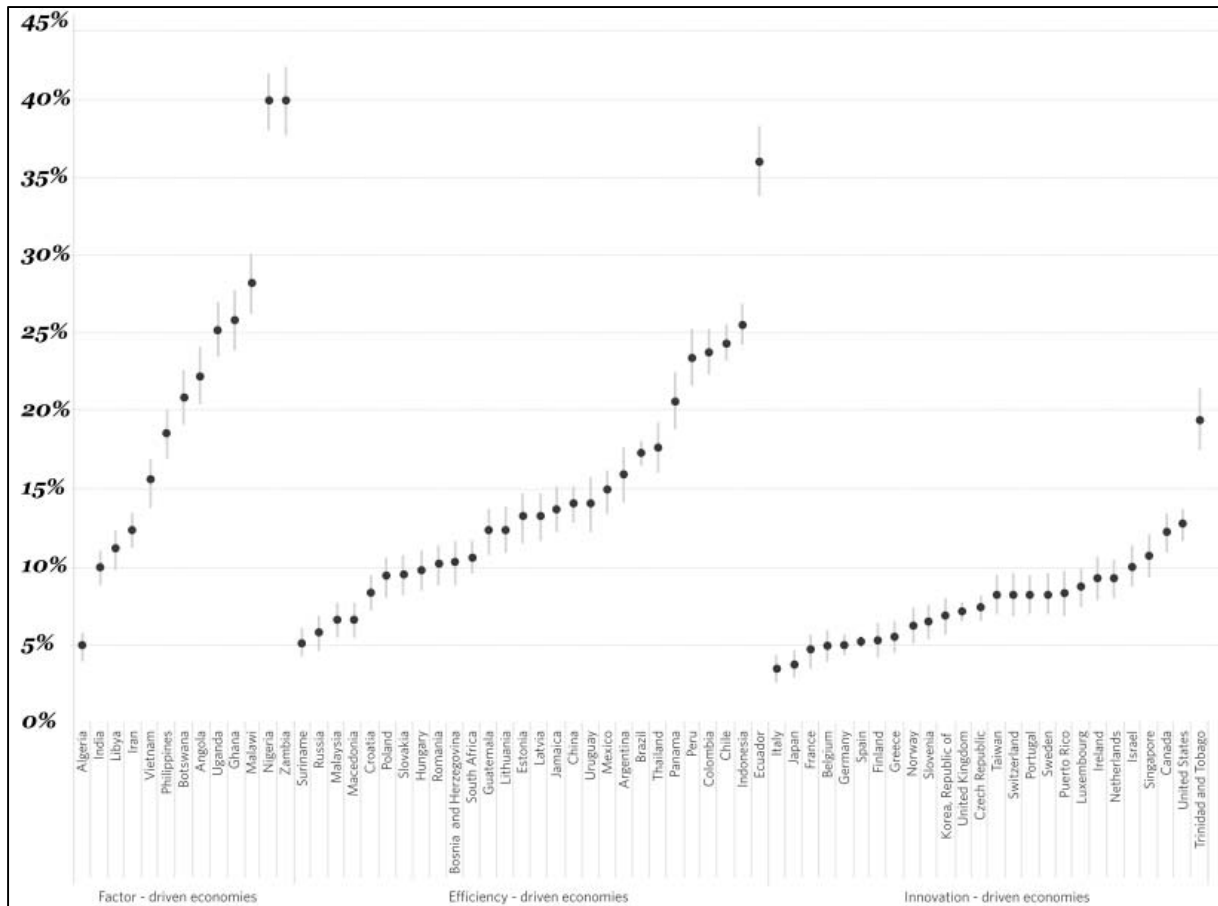
On the one hand from generalizing Necessity-driven start-ups, one may tentatively conclude that in the more developed economies start-ups are less likely to have been made because the entrepreneur was driven to so because there were no better options available.

On the other hand improvement-driven start-ups show where entrepreneurs start businesses to earn more money or to be more independent, rather than to maintain income. For example, a lower percentage of respondents from the Middle East & North Africa are improvement-driven compared to entrepreneurs from the European Union and North America.

However, it should be pointed out that starting up a company for improvement depends to a large extent on the characteristics of the individual concerned, and is less dependent on the economic environment than starting a business because there is no better option.

On the following page we see in more detail the relationship between Total Early-Stage Entrepreneurial Activity and phase of economic development for 2013.

Figure 6: Total Early-Stage Entrepreneurial Activity by phase of economic development 2013¹⁶



Inside a market there is a tough fight between the companies, it is a natural selection of who can establish himself in the market. Some can reduce their costs but others cannot and get eliminated. New companies are born, but not all of them survive. Entrepreneurs stop their business activities for a variety of reasons:

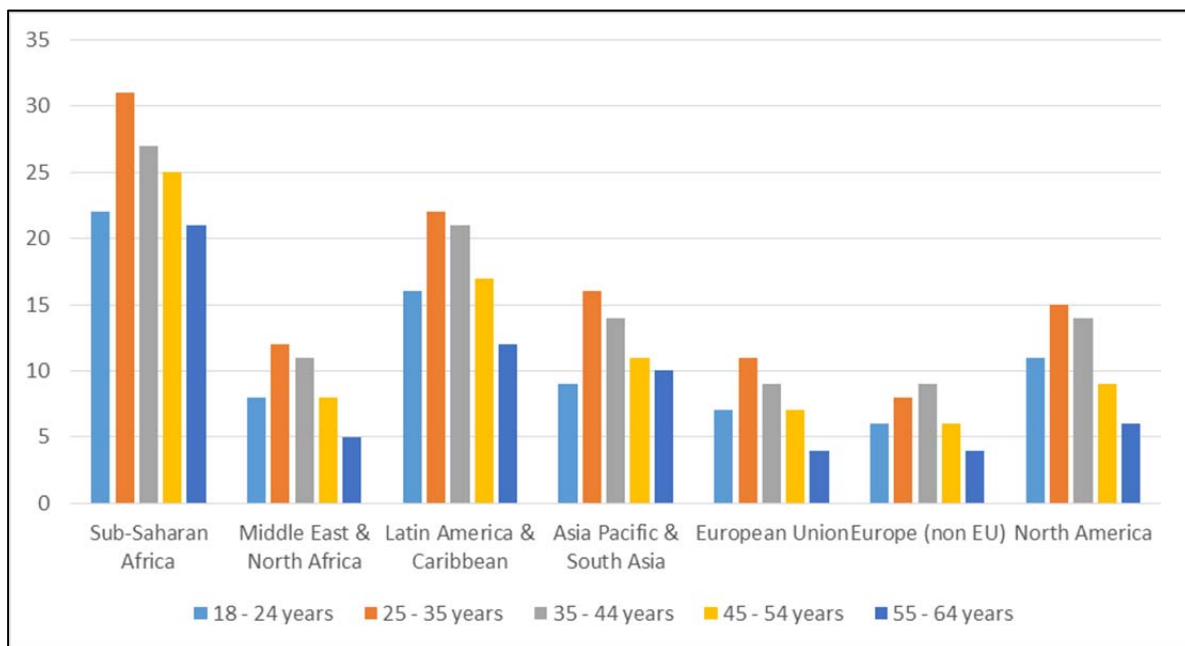
- Retirement
- Planned exit
- Incident
- Another job/business opportunity
- Personal reasons
- Problems obtaining finance
- Not profitable

¹⁶ Source: Amorós, J.E. and Bosma, N. 2014. *Global Entrepreneurship Monitor 2013 Global Report*. P.28

It can be argued that there is a relationship between the stage of economic development and the rate at which businesses cease operations – the more advanced the economic phase, the lower the rate at which entrepreneurs close their business. It is instructive to compare the reasons for discontinuing on a geographic basis, aside from personal reasons, the most common reasons for giving up business were a lack of profits and difficulties in raising money.¹⁷

It is common to discuss the demographic change. In western countries, this is normally taken to refer to the ageing population, while in other parts of the world, it is related to the high birth rate in many countries, meaning that the average age is much lower. The world median age is 28.4: in Uganda, the median age is 15.0 years, in Haiti 20.5, in Germany 43.7, in the US 36.9, in China 35.2 and in Pakistan 21.2. In Figure 7: Entrepreneurial activity within age groups 2013 we see the extent of entrepreneurial activity within age groups. All regions are generally similar in that the two age groups that are the most active are the 25-34 and 35-44 groups.

Figure 7: Entrepreneurial activity within age groups 2013¹⁸



One way in which cultures differ is the extent to which women are active economic actors, and the roles they play in the economy. One very interesting finding is that women and men in Sub-Saharan Africa are equally active in entrepreneurship. In the rest of the world there is a higher percentage of men that are involved in entrepreneurial activity compared to women, whereas in total there are more women living on the planet than men do.

¹⁷ Appendix Table no. 8

¹⁸ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

Finally in this section we look at three orientations that entrepreneurs may follow:

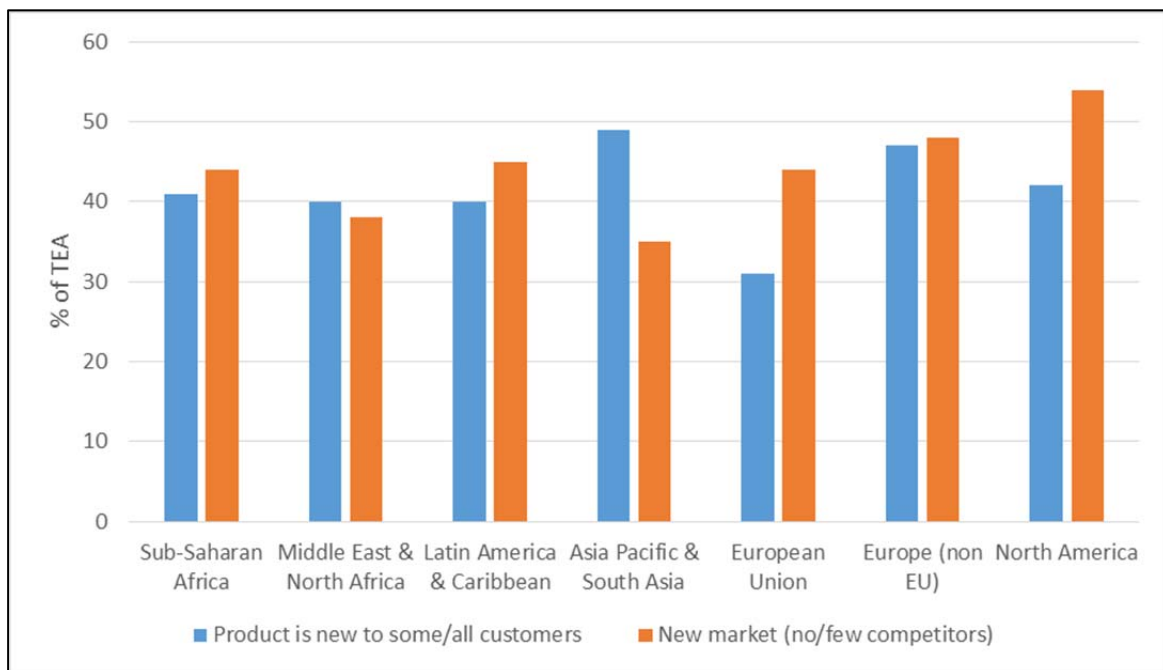
- Growth orientation
- Innovative orientation
- International orientation

The first of these – growth orientation – is perhaps the most critical one, for it is the reason why governments around the world support (to a greater or lesser extent) entrepreneurship. From their point of view, growth means job creation, and the more jobs entrepreneurs create, the more important they are as economic players. GEM measure what entrepreneurs hope to achieve for growth by using as a proxy the number of employees they expect to have in their firm in the next five years. Entrepreneurs in Sub-Saharan Africa see fewer perspectives for growth compared to the rest of the world. The European Union has the best perspectives for start-ups. Nearly 20% of entrepreneurs generated 20 or more jobs since founding. The beginnings are hard all over the world, nearly 70% got five or less jobs, in South Asia and Sub-Saharan Africa it's almost 80%.

Innovation is a critical factor for the ways in which economies develop. New products and services can have a positive impact on an economy. If an entrepreneur has a unique product with an absolute high quality, it is safe in the market for some time and earns a lot of money. Uber for example, an American start-up which was founded 2009, a dispatcher company, found a market gap and is worth over 50 billion US Dollar right now¹⁹. Figure 8: Innovative orientation 2013 shows the innovative orientation of entrepreneurs, using data which show whether the product is new or whether it is a new market for the entrepreneur.

¹⁹ <http://de.statista.com/infografik/2041/die-wertvollsten-startups-der-welt/>

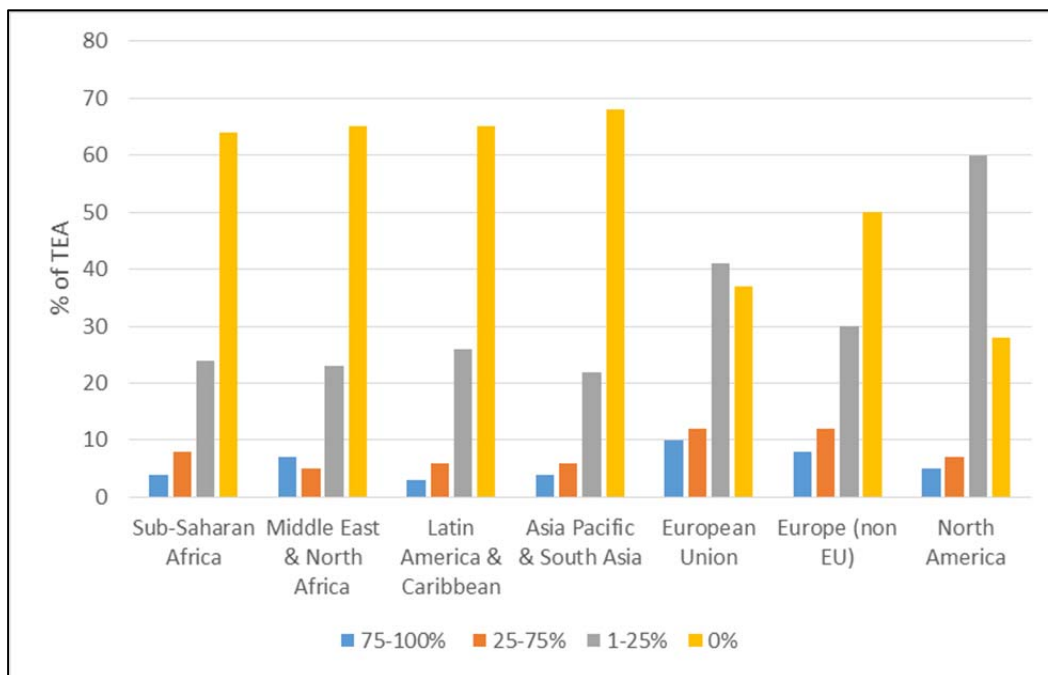
Figure 8: Innovative orientation 2013²⁰



In the globalised world, doing business internationally has become something that many businesses must do. Where markets are small, often the only hope for growth is to export or offer services beyond one's own borders. So entrepreneurs in countries with a large area or big population will be less likely to consider going international compared to entrepreneurs from countries that are small both in terms of area and population. GEM measure international orientation by finding out the degree to which entrepreneurs do business outside their own country. Aggregate to the regional level, the results can be seen in Figure 13: International orientation 2013.

²⁰ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

Figure 9: International orientation 2013²¹



1.3.3 Promoting Entrepreneurship

How is it that some countries are better at entrepreneurship than others? It is possible to identify nine components that are important in promoting entrepreneurship. The important entrepreneurial framework conditions were mentioned above; in summary they are:

1. The availability of financial resources (both equity and debt) for entrepreneurs
2. a) Government policy must support entrepreneurship, b) not least in terms of tax and other regulatory policies
3. There should be entrepreneurship programmes in place that are supported by all levels of government
4. Entrepreneurship education should a) begin in primary and secondary schools and b) continue through post-secondary education
5. Research and development that is carried out should be available for use to develop new business opportunities through transfer
6. The legal and commercial infrastructure (eg property rights, intellectual property protection, enforceable contracts, accounting) should support entrepreneurship
7. Markets should be a) free to change and b) entry to them available to all
8. The physical infrastructure should be fit for purpose; this includes communications, transportation and utilities
9. Entrepreneurship should be supported by society and by the culture of the society

These criteria have been applied to a large number of countries and been measured by GEM, and a summary of the results can be found in Figure 10: The framework for entrepreneurs 2013.

²¹ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

Figure 10: The framework for entrepreneurs 2013²²

	Criteria	1	2a	2b	3	4a	4b	5	6	7a	7b	8	9
Latin America and Caribbean	Argentina	2,2	2	1,5	2,8	2,2	3,3	2,7	3	3,2	2,6	3,5	3,2
	Brazil	2,3	2,5	1,7	2,3	1,5	2,4	2	2,4	3	2,1	3	2,7
	Chile	2,5	3,4	3,2	3,1	1,7	2,7	2,2	2,7	2,4	2,3	4,2	2,8
	Colombia	2,3	2,8	2,6	3	2,3	3,2	2,4	2,8	2,9	2,8	3,3	3,1
	Ecuador	2,2	2,9	2,1	2,5	2	3,2	2,1	2,9	2,3	2,4	4,2	3,1
	Guatemala	2,2	2,2	2,1	2,4	1,8	3,2	2,2	3,4	2,4	2,4	3,8	2,6
	Jamaica	2,9	2,6	2,2	2,3	2,2	3,5	2,3	3,2	3,8	2,7	3,8	3,5
	Mexico	2,4	3	2,2	3,1	2	3,3	2,6	2,7	2,5	2,4	3,9	3,1
	Panama	2,4	2,7	2,8	3,1	1,6	2,8	2,3	2,8	2,8	2,4	3,8	3
	Peru	2,3	2	2,1	2,2	2,1	2,8	1,9	2,7	2,6	2,6	3,4	2,9
	Suriname	2,4	2,4	2,2	2	2,1	3,3	1,8	2,8	2,7	2,2	3,3	2,8
	Trinidad	3,1	2,2	2,2	2,4	2,1	3	2	3,1	2,8	2	3,8	3
	Uruguay	2,2	2,3	2,8	3,2	1,7	3,5	3	3,1	2	2,8	3,8	2,4
	Average	2,4	2,6	2,3	2,6	2	3,1	2,2	2,9	2,7	2,4	3,7	2,9
Middle East and North Africa	Algeria	3,4	3,2	2,6	2,7	2,4	3,2	2,9	2,9	4	3	3,5	3,2
	Iran	2	1,9	1,6	1,5	1,5	2,1	1,9	2,1	3,2	1,8	4,1	2,2
	Israel	2,8	2	1,7	2,2	2	3	2,3	3,3	2,7	2,2	4,1	3,8
	Libya	2,1	2	2,6	1,7	1,4	2,3	1,8	2,9	3,2	2,8	3	2,5
	Average	2,6	2,3	2,1	2,1	1,8	2,7	2,2	2,8	3,3	2,4	3,6	2,9
Africa	Angola	2,6	2,9	2,2	2,2	1,6	2,1	1,8	2,5	3,1	2	2,3	2,8
	Botswana	2,7	2,6	2,7	2,6	2,3	3,1	2,1	2,7	3,1	2,8	3,3	2,8
	Ghana	2,6	2,7	2,2	2,3	2,1	2,9	2,1	3	3,1	3	3	3,1
	Malawi	1,9	2,3	1,9	2	2,2	2,9	1,9	2,8	3,4	2,7	2,8	2,4
	Nigeria	2,1	2	1,8	2,2	2,1	2,8	1,7	2,6	3,3	2,3	3	3,3
	South Africa	3,3	2,9	2,1	2,2	1,8	2,3	2,1	2,7	2,8	3,1	2,8	3
	Uganda	2,5	2,3	2	2,4	2,2	3,1	2,1	3,3	3,8	2,7	3,4	3,1
	Zambia	1,9	2,1	2,3	2,1	2,1	2,5	1,7	2,6	3,1	2,7	2,9	2,6
	Average	2,5	2,5	2,2	2,3	2,1	2,7	2	2,8	3,2	2,7	3	2,9
Asia Pacific and South Asia	China	2,5	2,7	2,6	2,6	1,6	2,7	2,5	2,6	3,9	2,6	4	3
	India	2,8	1,9	1,8	2,1	1,5	2,4	1,9	3	3,5	2,5	3,7	2,7
	Indonesia	3,1	2,7	2,2	2,5	2,5	3,3	2,3	3,2	3,9	2,8	3,5	3,3
	Korea	2,3	3,4	2,7	3	2,1	2,5	2,5	2,3	4,1	2,3	4	3,1
	Malaysia	3,4	3,1	2,5	3	2,3	3	2,9	3,2	3,4	2,7	4,1	3,1
	Philippines	3,2	3	2,3	3,1	3,1	3,4	2,5	3,4	3,8	2,9	3,7	3,5
	Singapore	3,5	3,7	4,1	3,7	2,8	3,2	3,2	3,5	3,5	3,4	4,5	3,2
	Taiwan	3,7	2,7	2,8	2,3	2	2,7	2,5	3,4	3	2,8	3	3,6
	Thailand	3	2,5	2,4	2,4	2,3	3,1	2,5	3,4	3,7	2,8	4,1	3
	Vietnam	2,4	2,9	2,8	2,5	2	2,6	2,5	2,9	3,5	2,7	3,6	3,1
	Average	3	2,8	2,6	2,7	2,2	2,9	2,6	3,1	3,6	2,7	3,8	3,2

²² Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

	Criteria	1	2a	2b	3	4a	4b	5	6	7a	7b	8	9
Europe (EU)	Belgium	2,6	2,6	2,2	3,3	2	3,1	2,6	3,3	2,8	2,7	3,7	2,2
	Croatia	2,3	2,2	1,8	2,5	1,9	2,6	2,1	2,7	3,6	2,1	3,5	2
	Czech Republic	2,5	2	2	2,3	1,6	2,4	2,2	3,1	2,6	2,6	4	2
	Estonia	2,7	2,5	3,1	3,3	2,3	3	2,9	3	3,6	2,5	4,3	3,5
	Finland	2,8	3,3	3,1	2,9	2,7	2,9	3	3,5	2,8	2,9	4,3	2,9
	France	2,9	3,3	3	3,2	1,7	2,7	2,5	3	3,2	2,4	4,2	2,2
	Germany	2,8	2,6	2,6	3,4	1,9	2,6	2,8	3,3	3,2	2,8	3,7	2,8
	Greece	2	2,1	1,8	2	1,7	2,6	2,2	3,2	3,2	2,2	3,6	2,3
	Hungary	2,8	2,3	1,9	2,3	1,9	2,8	2,5	3,4	3,1	2,7	3,9	2,6
	Ireland	2,6	2,9	2,8	3,2	2	2,8	2,9	3,4	2,7	2,9	3,9	3
	Italy	2,5	2	1,5	2,1	1,7	2,6	2,5	3,1	3,5	2,5	3,3	2,1
	Latvia	2,9	2,9	3	3	2,7	3,3	2,4	3,4	2,6	3	4,1	3,1
	Lithuania	2,8	2,4	2	2,6	2,4	2,8	2,4	3,5	4	2,5	4,2	3
	Luxembourg	2,6	3,4	3,4	3,6	2,2	2,9	2,8	3,3	3	2,9	3,9	2,4
	Netherlands	2,8	3	3,2	3	3,1	3,3	2,8	3,8	2,9	3,3	4,6	3,1
	Poland	2,7	2,6	2,1	2,7	1,8	2,4	2,1	3	3,8	2,8	3,6	2,8
	Portugal	2,9	2,6	1,8	2,9	2,2	2,9	2,7	3,4	2,4	2,5	4,4	2,6
	Romania	2,3	2,4	2,0	2,4	2,3	2,9	2,6	3,0	3,3	2,7	2,9	2,3
	Slovakia	2,2	1,9	1,9	2,2	1,9	2,8	1,9	2,8	3	2,5	3,9	1,9
	Slovenia	2,2	1,9	2,1	2,5	2,1	2,8	2,4	2,8	3,1	2,4	3,9	2,2
	Spain	1,8	2,3	2	3,1	1,4	2,3	2,2	2,5	2,1	2,3	3,9	2,1
Sweden	2,3	2,7	2,5	2,7	2,3	2,4	2,4	3	3,4	2,6	4,2	3,2	
UK	2,7	3	2,6	2,7	2,2	2,6	2,5	3,1	2,8	2,7	3,9	3,1	
Average	2,6	2,6	2,4	2,8	2,1	2,8	2,5	3,2	3,1	2,6	4	2,6	
Europe (other)	Bosnia Herzegovina	2,2	2	1,8	2	2	2,6	1,9	2,7	3,4	2	3,3	2,2
	Macedonia	2,3	2,6	2,9	2,5	2,3	3	2,4	3	3	2,4	3,5	2,8
	Norway	2,8	2,4	2,8	3	2,6	2,6	2,9	3,6	2,9	2,6	4,1	2,8
	Russia	2	1,9	1,9	1,8	2,2	2,7	2,1	3,1	3,2	2,1	3,1	2,5
	Switzerland	3	3,4	3,7	3,5	2,4	3,4	3,5	3,6	2,7	3,2	4,7	3,3
	Average	2,5	2,5	2,5	2,6	2,3	2,9	2,5	3,1	3,1	2,5	3,6	2,7
North America	Canada	2,6	2,9	2,3	2,8	2,2	2,7	2,5	3,1	3	2,6	3,9	3,2
	Puerto Rico	1,9	2,3	1,5	2,5	1,6	3	2,1	2,9	3	2,2	3,4	2,5
	United States	2,6	2,8	2,2	2,6	2,2	3,1	2,4	3,2	3,2	2,9	4,2	3,9
	Average	2,4	2,7	2	2,6	2	2,9	2,3	3,1	3,1	2,6	3,8	3,2

As you read the stories that follow, take the time to look at the situation in the country of the entrepreneurs. Some of them, you will see, have to overcome very large hurdles in order to reach the level of success that they have achieved.

However, it is clear that while government support for entrepreneurship is essential, there is still room for more. A very encouraging trend over the last few years is that some large companies are starting to put programmes in place to help start-ups around the globe. Next we look at three of these programmes – interestingly, the companies are all well-known US companies, which no reflects the importance place in the United States on entrepreneurship.

Microsoft Corporation created the BizSpark programme²³ in 2008 to support entrepreneurship and help technology start-ups grow their business. By providing founders with access to leading technology products, business and technical support, and market visibility, Microsoft's goal is to assist young companies when they need help the most.

In 2013 more than 50,000 startups from over 160 countries were enrolled in the programme. The benefits include:

- Access to a global community of advisors, investors and partners as well as Microsoft software and services.
- More than 1500 BizSpark Network Partners around the world assist startups through financial and legal assistance, mentoring, networking and business advice.
- Thirty-five percent of the members are in the U.S., with the remainder based internationally.

Google²⁴ The Google website states: "Google is deeply passionate about entrepreneurship—we ourselves began in a garage nearly two decades ago" and this is why "We bring together startup communities and create spaces for entrepreneurs to learn and work".

In existence since 2011, the Google for Entrepreneurs programme partners with startup communities and builds campuses where entrepreneurs can learn, connect, and create companies. Over 120 countries are represented in the programme. The three objectives of the programme are described on a Google blog²⁵ as follows:

- Partnerships with strong organizations that serve entrepreneurs in local communities
- Google-led programs to bring our teams and our tools directly to entrepreneurs
- Placing relevant Google tools in the hands of startups as they are getting off the ground and ready to scale

The projects supported by the programme include the annual journey of entrepreneurship through India by train, accelerator and incubator programmes around the world, and paying special attention to encouraging a supporting women entrepreneurs through a series of events all over the globe.

Coca Cola²⁶ The third of the companies is Coca Cola, which has a programme called Coca Cola Founders. The model of the programme is as follows: The company goes into startup communities around the world and hand-selects founders, giving them insider access to Coca-Cola. The founders' ideas are then shaped by what they see inside Coca-Cola. Once the ideas prove themselves, and the startup is successful, Coca-Cola becomes an investor in the company. The following illustration shows the logic:

²³ <http://www.microsoft.com/bizspark/about/default.aspx> Accessed 12 January 2015.

²⁴ <https://www.googleforentrepreneurs.com/> Accessed 12 January 2015

²⁵ <http://googleblog.blogspot.de/2012/09/celebrating-spirit-of-entrepreneurship.html> Accessed 14 January 2015

²⁶ Information about the Coca Cola programme is taken from <http://coca-colafounders.com/> Accessed 12 January 2015.

1.4 CONCLUDING THOUGHTS

In this chapter we have presented a model that can be used to look at entrepreneurship around the world. We noted that economies are at different stages of development, and that there are requirements that must be in place to support entrepreneurship.

In the introduction to the chapter we described the contribution that small business makes to the US economy. In concluding, let us share some more figures:

- India: Employing close to 40% of India's workforce and contributing 45% to India's manufacturing output, SMEs play a critical role in generating millions of jobs. The country's 1.3 million SMEs account for 40% of India's total exports.²⁷
-
- United Kingdom: In 2014, there were 5.2 million businesses in the UK. 5.0 million (96%) of them are micro-businesses – employing 0-9 people. They account for 33% of employment and 19% of turnover. There were 346,000 business births in 2013.²⁸
-
- South Africa: Small and medium-sized enterprises make up 91% of formalised businesses, provide employment to about 60% of the labour force and their total economic output accounts for roughly 34% of GDP.
-

²⁷ http://articles.economictimes.indiatimes.com/2013-06-09/news/39834857_1_smes-workforce-small-and-medium-enterprises Accessed 16 January 2015

²⁸ <http://www.parliament.uk/briefing-papers/SN06152/business-statistics> Accessed 20 January 2015

2. RESEARCHING INTO ENTREPRENEURSHIP AROUND THE WORLD

2.1 INTRODUCTION

Start-ups and entrepreneurship play a very important part in all economies, regardless of the phase of economic development. As we saw in the previous chapter small businesses make a very large contribution to employment rates, help solve social problems, generate revenue for the government in the form of taxes and support the development of economies at a local and national level.

In innovation-based economies, the opportunities of the trend towards technisation and digitalisation, for example, are being taken up first of all by start-ups, who are in a position to react much more quickly than large established companies to the latest development. In the BRIC economies, start-ups are playing a leading role as they make every effort to catch up to the more advanced economies. In developing economies, like Namibia and Ecuador, start-ups are helping to solve some basic problems like having enough to survive on, and at the same time are helping these economies to move from being factor-based to being efficiency based.

As we reviewed the literature that already exists on the topic of entrepreneurship, it appeared that there were some gaps. There is relatively little on the attitudes of young people to entrepreneurship, even though, as outlined in the previous chapter, this is one of the most important factors for the extent to which entrepreneurship is present in an economy. The point was made that entrepreneurship should be introduced as early as primary school.

Furthermore, only a limited amount of qualitative research has been carried out into the attitudes, experiences and feelings of start-up entrepreneurs. In Germany, for instance, there is – on a societal level – a culture that tends to be risk-averse. As a consequence, would-be entrepreneurs tend to study before starting up a business. There are a very few equivalents in Germany of Bill Gates, who abandoned his studies at Harvard in order to found Microsoft. So it can be seen that it is important to understand what attitudes are held by young people when it comes to entrepreneurship.

Following our review of the literature, and combining this with our insights into what the critical factors of entrepreneurship in an economy are, we decided to carry out two pieces of primary research, which are discussed in this and the following chapter. The two research activities ran in parallel. We used both quantitative and qualitative approaches.

One of the fundamental questions in research design is whether to do quantitative or qualitative research. The merits and drawbacks of qualitative and quantitative research have been argued and debated many times.²⁹ Qualitative and quantitative approaches are not mutually exclusive, and the researcher does not have to make an either/or choice, because the appropriateness of the methodol-

²⁹ Patton, M. Q. 1990. *Qualitative Evaluation and Research Methods*. Thousand Oaks, CA.: Sage.

ogy is contingent on the nature of the phenomenon to be studied.³⁰ As Mintzberg states: "we uncover all kinds of relationships in our hard data, but it is only through the use of this soft [qualitative] data that we are able to explain them."³¹ This research accepts Mintzberg's implicit argument that quantitative and qualitative approaches are not mutually exclusive so we used both methodologies.

One research activity was a survey of senior school students and university students, where we wanted to investigate their feelings, attitudes and beliefs about entrepreneurship. You can read more about this in the next chapter.

The second research activity involved getting data from entrepreneurs themselves. This was a major effort, involving more than 70 in-depth interviews with entrepreneurs around the world. These data were gathered from 1 October 2013 to 1 October 2014.

The first issue we were faced with was finding the entrepreneurs in the first place. We used personal contacts and websites like www.startupranking.com, www.startupblink.com, www.mapyourstartup.co, www.berlinstartupmap.com and www.world-startups.com. We also got contacts through [hub:raum](#), the incubator of Deutsche Telekom, and EIT ICT Labs, one of the first Knowledge and Innovation Communities of the European Institute of Innovation and Technology.

The interviews were all carried out by people who were native speakers of the mother tongue of the entrepreneurs. The interviewers were given training in interviewing techniques by Prof Anabel Ternès and Prof Ian Towers of SRH Hochschule Berlin and introduced to the topic of start-ups and entrepreneurs. The interviews were semi-structured; the interviewers were provided with the core questions by the project leads. All interviews were carried out either in person or over Skype. They lasted from 30 minutes to over four hours. The interviews were completely transcribed.

Following transcription, the interviews were coded using a coding frame that was developed by the project leads. The output was then analysed and these results are presented in this chapter. At the same time, the interviews were written up in the form that you find them in this book. Here the goal was to present the valuable data and information that we found in the interviews in an interesting – and, we hope, inspiring – way. These stories are to be found from the fourth chapter.

³⁰ Morgan, G. & Smircich, L. 1980. *The Case for Qualitative Research*. *Academy of Management Review*, 5(4): 491-500.

³¹ Mintzberg, H. 1979. *An Emerging Strategy of "Direct" Research*. *Administrative Science Quarterly*, 24(4): 582-589. P.589

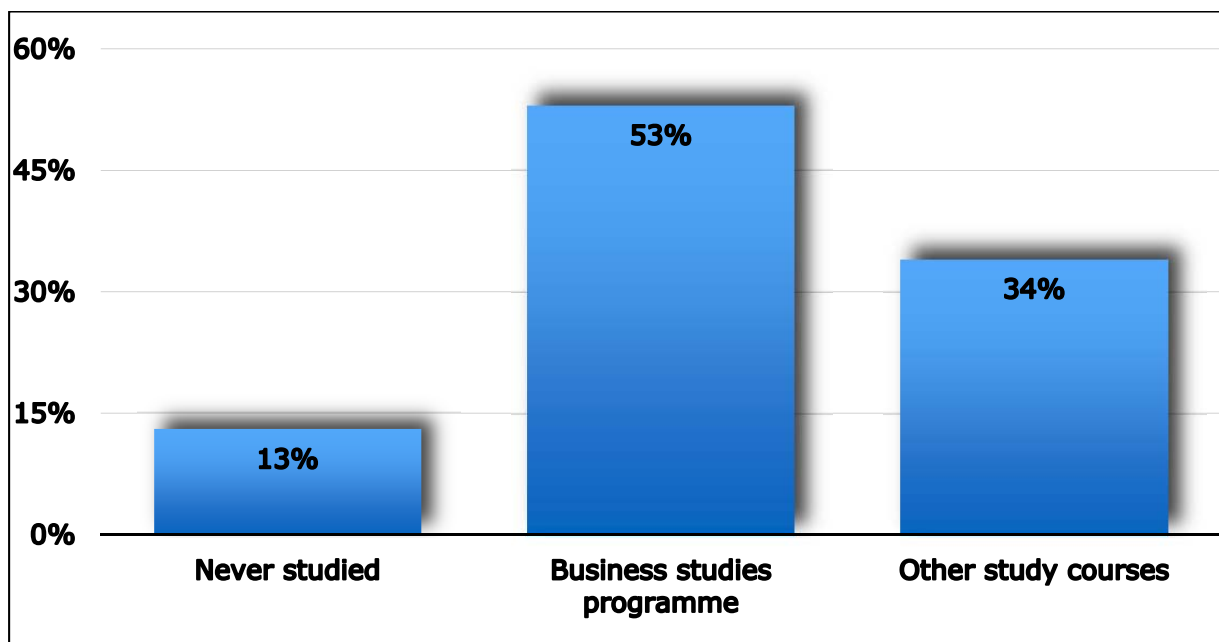
2.2 PRESENTATION AND ANALYSIS OF THE FINDINGS FROM THE INTERVIEWS WITH ENTREPRENEURS

In the opinion of many people, entrepreneurship is an area of business that is dominated by men; they think of entrepreneurial stars like Facebook founder Mark Zuckerberg or Twitter founder Biz Stone. In fact, even though a large majority of entrepreneurs who were our respondents are men, a quarter of them are women.

In addition, in those cases where the company was founded by both men and women, it was mostly the man who was the only person to provide answers, but they often mentioned the great support by the women later in the interview. This tendency is an overall trend and shows that great opportunity for women founding a company and standing there at the top.

A large number of the entrepreneurs we got data from come from Germany (41%), but the majority comes from other countries. One quarter are from other European countries (25%), a very small number (2%) from of the BRIC countries (Brazil, Russia, India and China), and the rest are from elsewhere.

Figure 11: Educational background of respondents



“Non scholae, sed vitae discimus” (“we do not learn for school, but for life”) seems to be a fitting motto for many entrepreneurs; over three quarters hold a university degree (87%). But having studied business does not seem to be viewed as prerequisite for success, because nearly half of the business founders hold a business related degree (53%). One third of them have studied courses with no business content (34%), and a little more than 1 out of 10 never studied at a university at all.

There is a relationship to the state of economic development in each country – in industrially developed countries, the likelihood is greater that the entrepreneur has a university degree in business related topics, whereas in developing coun-

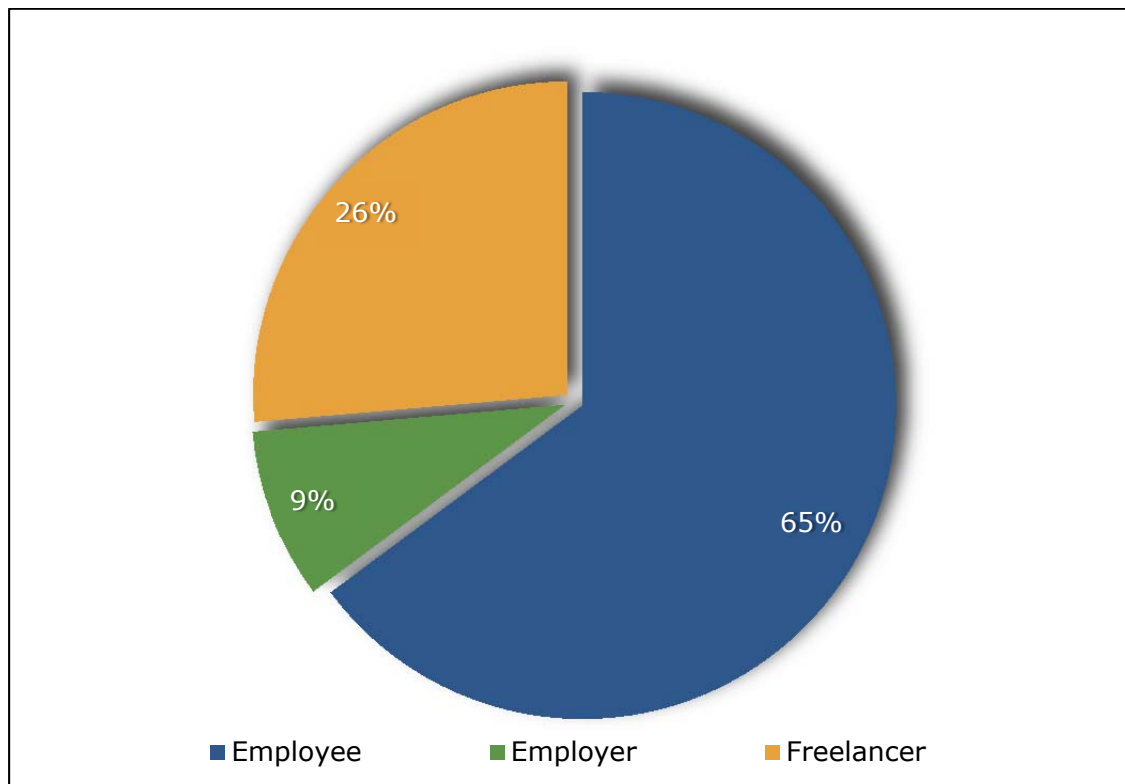
tries the tendency goes more towards entrepreneurs not having a university degree.

The next step after studying is working and we found out, there is a strong correlation between work experience and the tendency to found a business. The large majority of the founders (74%) had working experience in the same business field as their own company, while a much smaller number (8%) had no work experience before they started up their business. The remainder work experience, but in a different field.³²

We came to the conclusion after analyzing the interviews that working experience strengthens the confidence entrepreneurs feel. Additionally, if the work experience is in the same field, it provides some good basic knowledge they can often use for their own business. The very small number without working experience before, said, that it was often hard to stay motivated, as one does not have the experience of knowing if a failure is normal, what one can do and how one should behave if something continually does not work again and again. The tendency to feel the need to have a first work experience is widespread e. g. in Germany. In a country without a "failure culture" everybody wants to do everything right from the beginning. Working experience is in these situations something that people really feel they need to have so they feel secure when starting their own business.

2.2.1 Surroundings

Figure 12: Parents' employment status of respondents



³² Appendix Figure No. 20

Do parents have an influence whether their child is getting an entrepreneur? Only a small amount of the entrepreneurs' parents are themselves employers (9%), as the majority of the parents are employees (65%); the rest work as freelancers.

The high number of employed parents is not untypical as it reflects that most working people are employed and only a very small number in each country owns a company. Freelancers could be trainers, coaches, but also hairdressers, tailors or lawyers or medical doctors. But the number of freelancers and company owners in this survey is much higher than it is in the average of the involved countries. This shows that often parents function as role models for entrepreneurs.

But, related to the previous question: entrepreneurs said that there was often no need for parents to have shared their experience with them when they were children in order for them to become entrepreneurs. What was more important in this respect was seeing what the parents did, and recognizing that as an entrepreneur they could enjoy a kind of freedom to be responsible for their own work and results, and would have no boss above who could tell them what they should or should not do.

Changing topics from parents to friends, we were interested in seeing if entrepreneurs have other entrepreneurs in their circle of friends, as this might make it more likely that he or she would become an entrepreneur. The majority of founders have entrepreneurs as friends (73%); only 27% of the founders do not have any other entrepreneurs in their circle of friends.

Important reasons for having friends who are also entrepreneurs is that they often have a better understanding for the lack of time, the fact that entrepreneurs always want to talk about their own company and recognize the need to be flexible with private appointments.. In addition some of them said that they founded their company with friends who are *still* friends, but also business partner as well. Also the idea of sharing ideas and discussing internal business topics with friends who are in a similar situation was felt to be an advantage by many entrepreneurs. Reasons for found a business are plenty and it often begins from the childhood on. Endurance and enthusiasm are the most important experiences. Just over one third (34%) said that consistently following a goal led them to founding a company. 25% of founders said the support (sponsorship) from others was a childhood experience that influenced the decision to become an entrepreneur, while slightly more (31%) said their own interest in a theme as a child influenced the decision.³³

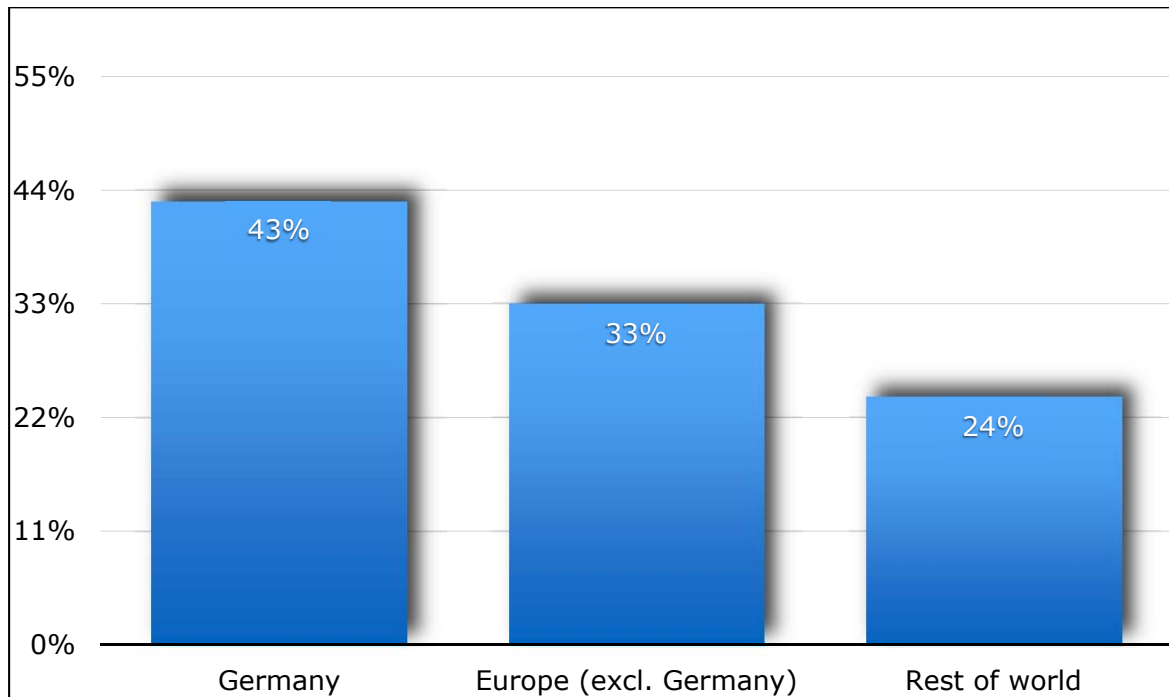
Furthermore, the idea of making money is not the key driver, a more important factor in what motivates people to develop their own start-up and lead it to success is the possibility of realizing one's own ideas. Furthermore, the results of the survey show that consistency, together with long-lasting motivation, build the strong base that entrepreneurs need to deal with crises and situations where a wrong choice could lead to the failure of the business.

³³ Appendix Figure No.27

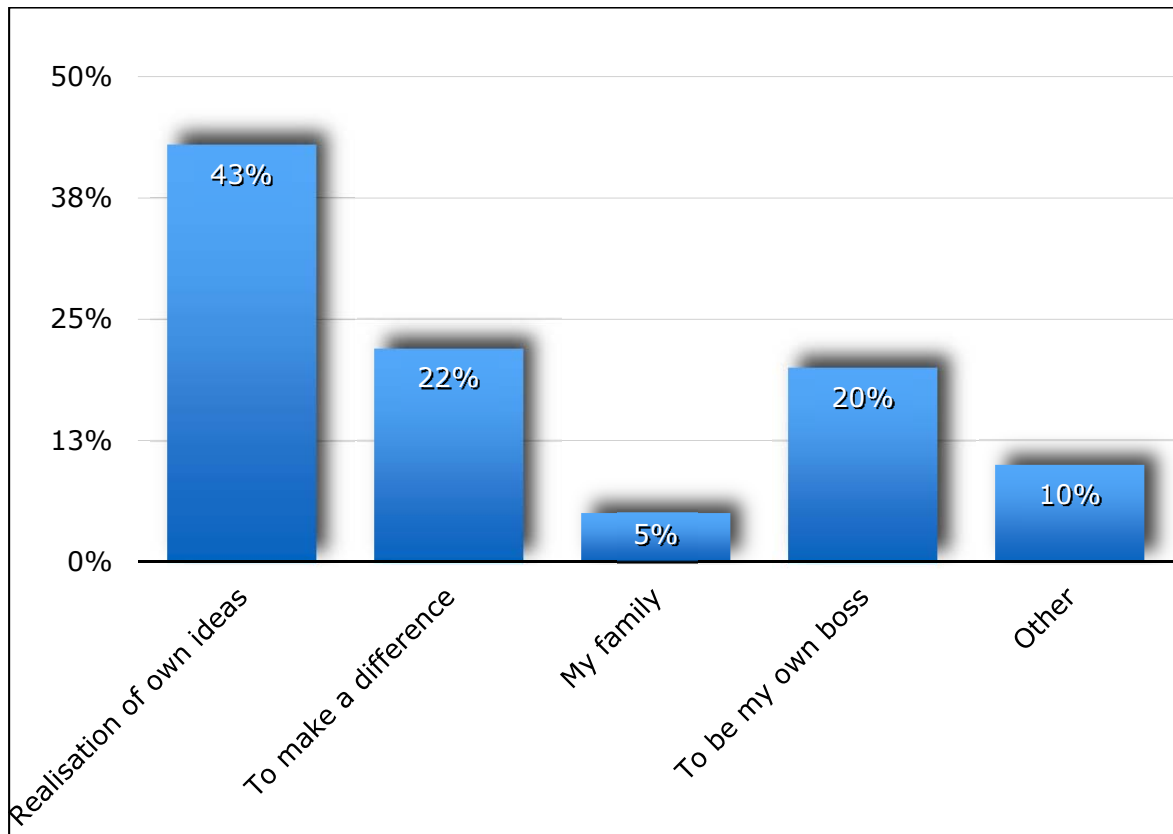
A good distraction for an ideal work-life balance is sports. 75% are doing sports a few times a week, some only once a month or even once a year. Most of the physically active are going outside for doing sport, 22% doing teamsports as soccer and volleyball. Other favorite activities are meeting up friends and family as told before, but also traveling has a huge impact for the entrepreneurs.

There is no perfect time to found a business, but even though people have their ideas in different phases of their lives. Most of the founders decided to become an entrepreneur in their first job or right after (46%). 35% decided earlier – during their studies. For 11%, the decision was made during childhood. Studies do not, however, mean only university studies. For some entrepreneurs it meant the studies at school as some of them did not go to university. The high number of entrepreneurs who decided to develop an own business after their education was complete demonstrates that – even though they may have had the idea beforehand already to do something on their own – the serious plan and confidence to carry it out came together after they completed their studies, during which time they were able to make contacts and learn new skills. This is based on what our respondents said about school not offering the opportunity to be really creative nor provide what one needs to become an entrepreneur; therefore one needs the time and space to develop something on one's own, because not everyone has the confidence to believe that their own path to success is different from everyone else's path. School is mostly not seen as the place where there is space to grow to become a person who is even aware of the possibility that entrepreneurship might be the right choice for them, because this theme was never mentioned in school at all.

But there maybe is a good place to found a business. As shown earlier in the paper, start-ups among a country are a big part of the economy. But there are countries in the world, in which there are more founders than in other parts of the world. The majority of founders have located their startup in Germany (43%). 33% percent are based elsewhere in Europe and 24% in other countries.

Figure 13: Location of respondents' start-ups

2.2.2 Motivation reasons

Figure 14: Motivation to found a company

Now we got several points about entrepreneurs' circumstances founding a business, but have not discussed the motivational reasons. As seen earlier this chapter, almost 70% of the parents were employees, having a safe job over years, neither having worries for the future nor for the money. Why do the asked entrepreneurs not choosing this instead of the risk of starting an own business. The conclusions are following: Most of them (43%) want to realize their own ideas and do not want to get told what to do. Founding a company allows them to make their own ideas into reality. Family provided motivation for only 5%. Making a difference (22%) and being one's own boss (20%) are important factors as well.

These results show that the respondents of our survey had a profound internal motivation to take the steps needed to become an entrepreneur. This kind of a sense of mission can be seen as one of the key factors that contribute to the desire to found a company.

People whom they get inspired of are really different, mostly they are parents and friends, some of them are probably entrepreneurs themselves. In third place of people who influenced the entrepreneurs are their partners (16%), followed by mentors (14%). A small number of the founders were influenced by other family members (6%), colleagues (5%) and celebrities (2%).

Celebrity entrepreneurs were not significant as influences. Some entrepreneurs were mentioned, like Richard Branson, Mark Zuckerberg, and Steve Job, but there were no female celebrity entrepreneur role models, not even for our female entrepreneurs – this says something, perhaps, about gender bias in business.

The results of the survey corresponds with other survey results, which show that the younger the people are, the more the parents are as role models, followed by friends. The older the people are, the more important friends are, because they form the social environment that founders move in. In this environment, entrepreneurs may find a co-founder and, equally importantly, friends who can be used to bounce ideas off, who can provide guidance and suggestion, and who can also understand failure, perhaps even better than parents.

Furthermore, the majority of family and friends had a positive reaction when they learned that the respondent was starting up their own company. 36% of respondents said the people around them were confident and 34% received active support for their decision. This may be related to the issue of having entrepreneurs as friends and them being the ones who influenced the decision the most. 30% of respondents said, however, that the people surrounding them reacted skeptically.

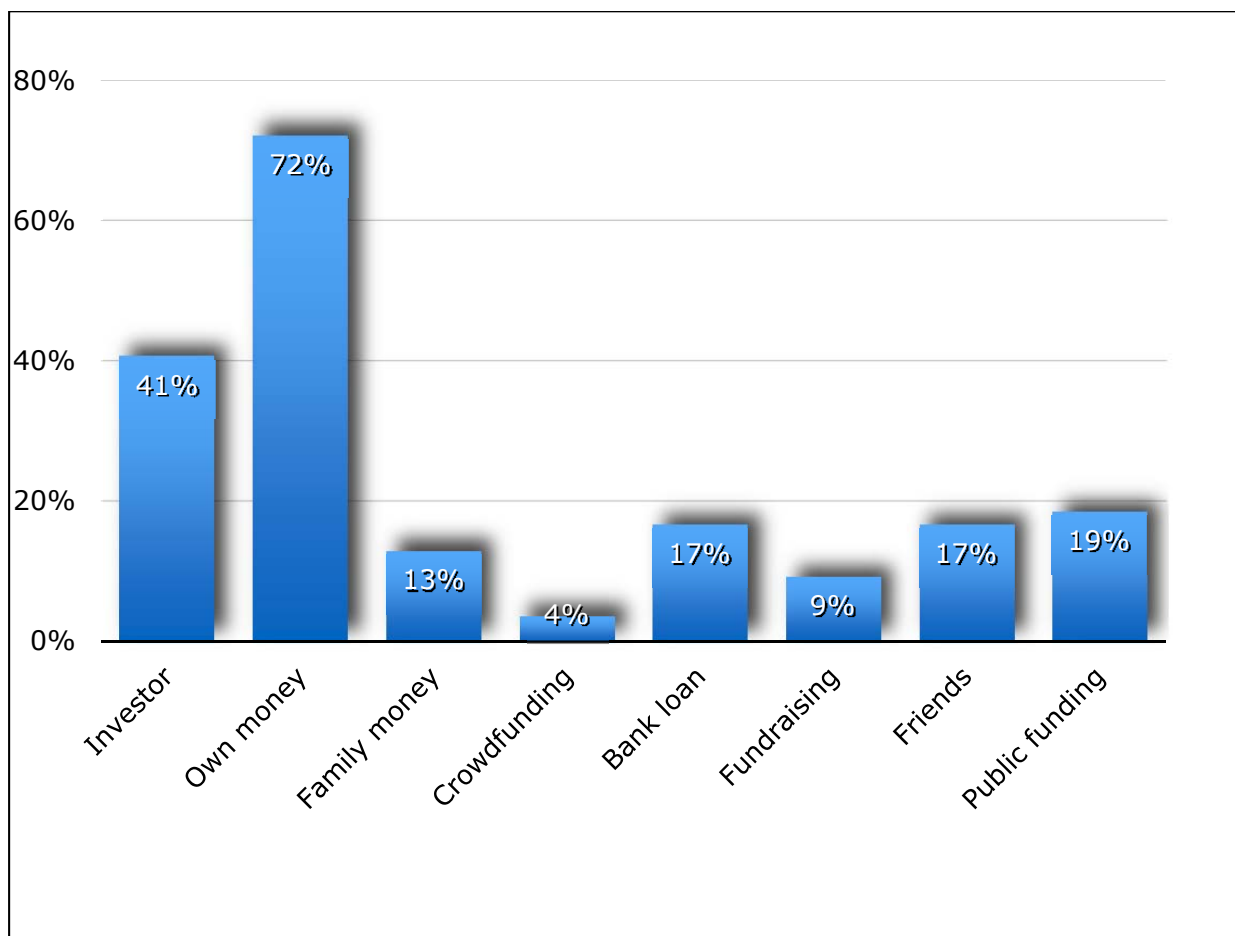
Therefore most of the start-ups were founded by two or more partners (84%); only a small amount of start-ups were founded by a single person. It is clear that most start-ups are likely to be small. But the statistics show that 28% have only 1 to 5 employees and 32% have 6 to 10 employees, while only 24% have more than 25 employees.

2.2.3 Finances

Carrying out market research at an early stage seems to be essential for the founders, as more than three-quarters of them did so before starting their business.

That such a large number of entrepreneurs carry out a market research is no surprise, as this is an essential tool for successful business. It should also be noted that we only contacted start-ups, who already had some degree of success, not least shown by the fact that they had been in business for more than a few months.

Figure 15: Financing the start-up of respondents



Another key factor in founding a business is finances. A large majority of our respondents build their business up by using their own money (72%). Families (13%) and friends (17%) were also a source of finance. Business angels and crowd funding are other options. In fact 40% of respondents' start-ups are supported by money from investors, but crowdfunding financed only 3% of the start-ups of our respondents. Fundraising helped 9% with their start-up. Government funding programmes were helpful for slightly less than one-fifth of our entrepreneurs. The majority (58%) of the founders have not made any use of government support such as consulting, courses etc. Most of our entrepreneurs used their own money (72%) or had an investor (41%), compared to 18% who got finance from the government.

Even with integrated money into the business, nobody has an easy going business. Hard work and assertiveness are essential for success. The vast majority (87%) of founders have had challenging obstacles, either before the founding process or during the founding process. Just a small amount (13%) has never had to deal with challenging obstacles.

A positive fact facing obstacles is the Giving-up-rate, which is only 35%. This finding is clearly related to the reasons people start up their own firm. As Figure 12 shows, start-up entrepreneurs do so because they have a very high internally-based motivation of realizing their own dream. In addition, their social environment is composed to a large extent of people who understand the situation of the founders and who can support them and encourage them should they be thinking about giving up.

3. GERMAN STUDENTS AND ENTREPRENEURSHIP

3.1 INTRODUCTION

Where do young entrepreneurs come from? What is important for them? What is necessary to encourage them? These were the questions that interested us because we had come to the conclusion that it is essential to encourage young people to become entrepreneurs in order that a healthy entrepreneurship scene can exist. The method we chose to investigate these questions was a survey of young people.

The target of our surveys were school students in the final years of their secondary education, and students in their first or second semesters at university or university of applied science. We gathered the data from them through an online survey, using Sosci-Survey as a platform. This is a well-known platform often used in business and academic research. The survey was live from 1 July 2014 to 1 October 2014.

The questions were developed with input from members of the target population and were pretested at five secondary schools and at two universities in Berlin. Once the questions had been validated, the survey was publicised to senior school students and university students throughout Germany. We are therefore able to present a complete picture of what young people in Germany feel and believe about entrepreneurship.

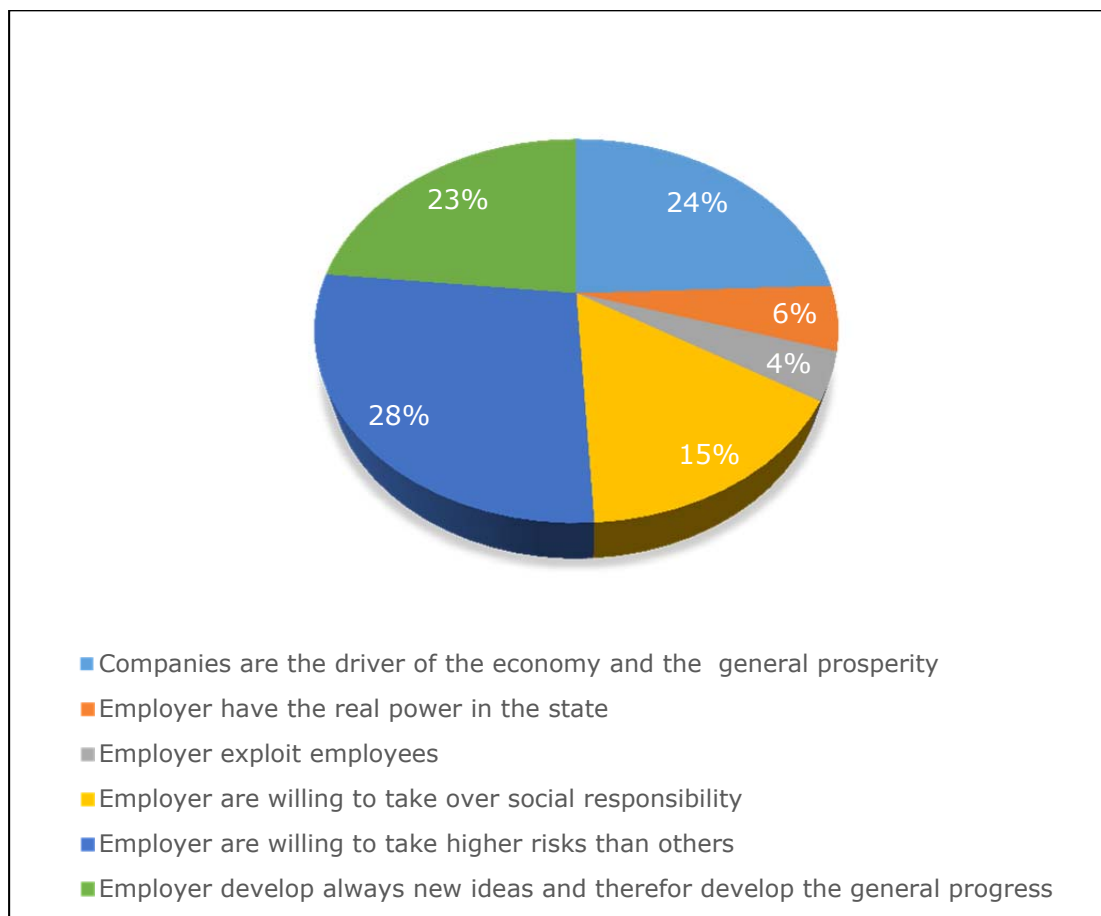
3.2 PRESENTATION AND ANALYSIS OF THE FINDINGS FROM THE SURVEY OF STUDENTS

Firstly, there were somewhat fewer male participants than female participants. This matches the overall number of male and female students in Germany, which shows a similar gap between the genders, with more female than male students.

When inquiring into entrepreneurship it is interesting not only to discover whether the students were taught about entrepreneurship at school or university, but additionally it is interesting to see if they were socialized with knowledge about entrepreneurship, managing a company or/and being self-employed.

Questions were asked separately about the employment status of the mother, the father and both parents. The whole picture shows that by some distance most of the parents are employees at a company or institution; this was more the case for mothers than fathers. There are only 17% are freelancers, a category which also includes lawyers and consultants working on their own without employees; in this case the number of fathers and mothers is very close. Only 3% are employers, most of them being fathers. This might be confusing at first, but mirrors German society, where by far the great majority of people of working age are employees; some of them have a job that is guaranteed for life, like many of the people who work for the government. This highlights that many young people had never heard of entrepreneurship before they received the questionnaire from this current survey.

Figure 16: Opinions about position and power of companies and employer



The next question, whose results are seen in Figure 16, asked about opinions regarding the position and power of companies and employers. The idea behind this question was to find out what the fundamental attitude to entrepreneurship was.

The percentages show that the participants of the survey are overall more positive than not regarding entrepreneurship. In addition, the distribution of responses indicates (e. g. the 6% at "Employers have the real power in the state") that the participants see employers closely linked with high responsibility and many duties, but as having less power to change circumstances. This might be taken into account for strategies to develop entrepreneurship, as there seems to be a large number of role models who could bring over the idea of entrepreneurship.

We did delve further into this to get more specifics. It may be that there is a difference between knowing someone socially and being able to discuss with them; this could make a significant difference on the impact of the relationship on the development of entrepreneurship knowledge.

Compared to the low number of secondary schools in Germany that specialise in business and economics, the results represent a high number. At the same time, this number shows the huge potential of educating about entrepreneurship in schools. Additionally almost 50% of the students had no contact to a company or

employer at school at all. Schools often offer cooperation with companies, where the latter are guest speakers, role models and experts.

Another point is the existence of entrepreneurship consulting offices, a large number of students are familiar with that. More than 50% are aware of the existence, which seems to be the result of the many marketing programmes which have pushed the topic of entrepreneurship into society. It is interesting that we can see that the percentage of young people knowing about bank funding support programmes is extremely high, at 78%. The reasons might be that this became an important theme in the media due to the banking crisis, and that it is also interesting as it promises safety and financial solutions.

Just as before with the knowledge about bank funding support programmes, knowledge about government-funded subsidies is very high, with 80% saying they know about them. It shows a situation where many people are informed at a general level, but there is less substantial knowledge about the subsidies in detail and how to receive them. This corresponds to the situation in Germany – many different supporting programmes are available from many different sources, but these arrangements remain unclear.

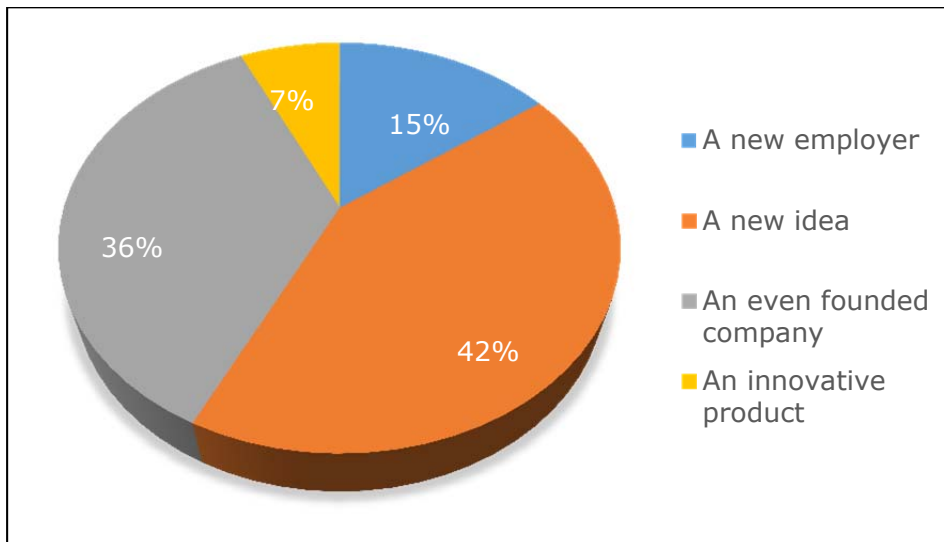
3.3 REASONS FOR FOUNDING- OR NOT

Reasons that prevent people from founding a company are diverse. "Financial risks" come first by some distance against the other reasons, with almost 60% citing these as a reason for keeping away from founding a company. This goes along with so-called German Angst (fear), especially the fear to fail; it is worth noting that this point is mentioned by only around 30%. But taking into account that this corresponds with "missing self-confidence" there is an added percentage of more than 40%. It is often stated that Germany has a "no failure" culture. Failure is seen as a stigma. This is contrary to other countries like African countries or the United States, where the people look up to entrepreneurs who take a risk and who develop a new business after failing with the previous one.

This item that place first is followed, each being mentioned by just over 30% of respondents, by "no experience", "missing money" and "job-related unsteadiness". This is related to the safety and fact oriented orientation of Germans, which focuses on high education standards and having the money to start something, without the risk of failure. Mentioned least are "no support by friends /family" and "missing self-confidence". The results are the result of experiences and their own perception.

The most often given reason for founding a company is the realisation of one's own ideas – more than 65% of participants mentioned this. This reason is followed by self-realisation with 61%, which seems to be very close to the first reason, but is indeed somewhat different, as it is based on the individual's personality and the desire to make something of oneself, whereas the realisation of own ideas is about an idea, concept, strategy or product. The next most frequently given reasons were more freedom, more fun at work and take-over responsibility. More fun at work was explained with samples like cooking together, working only together with cool people, a feeling of having the world at work by working together with people from different nations, working hard and having a party.

Figure 17: Definition of start-up

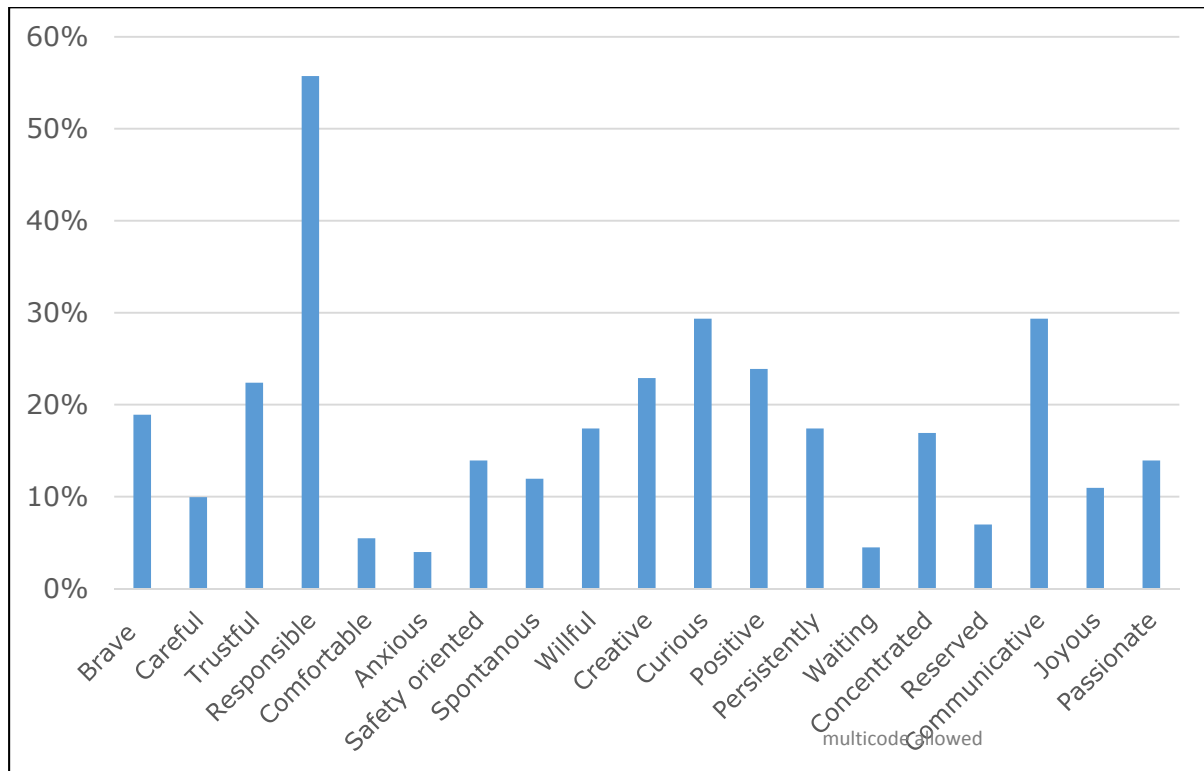


The question about how to define “start up” produced a strikingly high number of wrong answers. Only 36% of survey respondents consider that a start-up is a recently founded company. It is interesting that the real meaning such a word, often used in media and as well in society, as a cool word for a young upcoming company is known by so few people.

The results of asking the students about fear show that a majority of the issues were related to private health issues: “if someone from my family dies” with 69%, and “serious illness” with 62%. After these two come “unemployment” (36%) and “less money” (32%) by a big distance, followed by “financial loss” with 15%. The next interesting number is “lose the reputation of friends” with 22%. This belongs to failure being an issue, which includes the importance of one’s own image in relation to the one’s social environment. ³⁴

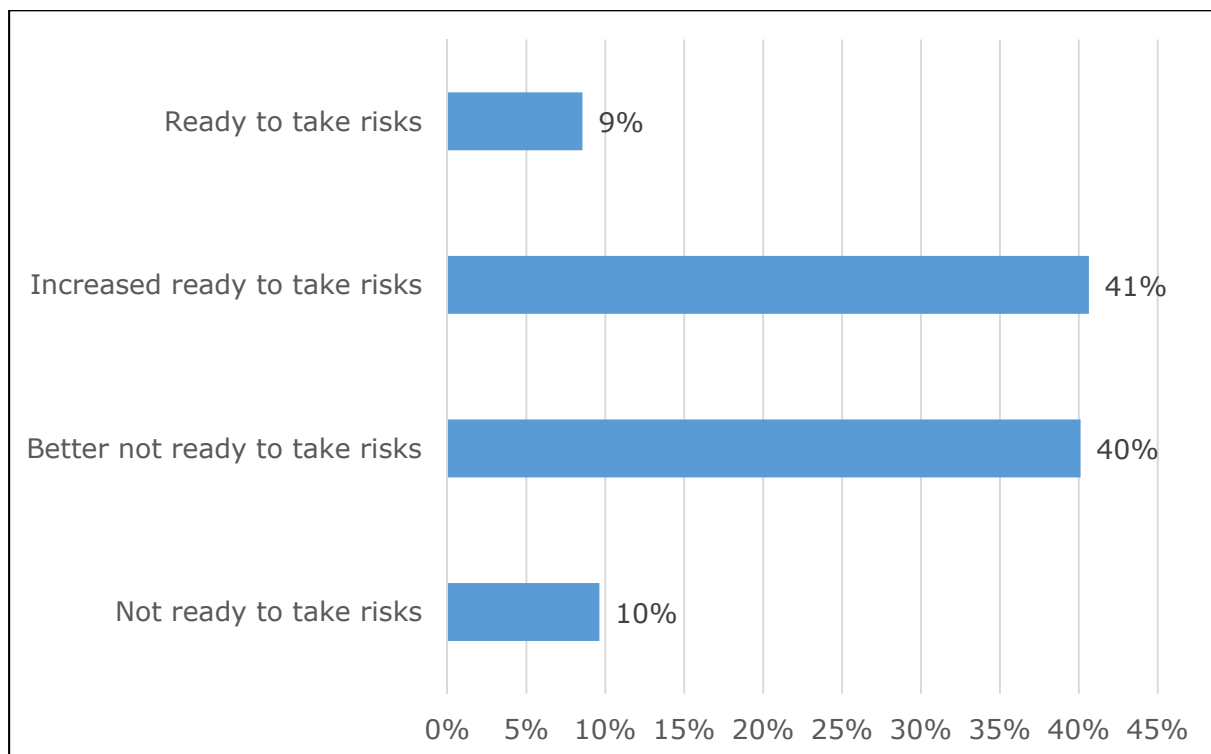
³⁴ Addendix Figure No.56

Figure 18: Self-evaluation



The self-evaluation of the participants reflects a personality that is more suited to the life of an entrepreneur rather than that of an employee. We wanted to know which aspects of the personality were mentioned the most and could maybe show a tendency for this generation in Germany. Multiple responses were allowed, and the most common one was "Responsible", mentioned by 56%. Behind by a large distance came "Curious" (29%) and "Communicative" (29%). Other traits which are also named as part of an entrepreneur's personality, were mentioned less, e. g. "positive" (23%), "brave" (18%), "persistently" (16%), "passionate" (13%). Interestingly enough, characteristics which were listed as hindering an entrepreneur's progress were mentioned very little, e. g. "safety oriented" (12%), "anxious" (4%), "waiting" (4%).

Figure 19: Readiness to assume a risk



Another trait is the readiness to assume a risk. Taking a risk or not has an overall 50/50 result. Figure 19 presents a more positive picture about starting one's own business than previous charts.

The last question was about which kind of support, information, topics or courses the student wished to have to feel better-informed and more secure, so that they would risk founding a company themselves.

These are some of the comments the participants made:

- I would like courses on the creation and management of an entrepreneur, about the risks, about my rights and responsibilities as entrepreneur, about the needs of the state, bringing work to my company in order to succeed and do something useful for the state and its citizens to make the world a better place.
- Information and case studies on risks and hedging a company launch, successful and failed cases, also of unspectacular companies are interesting.
- The general knowledge of German society has to change, that you did not fail instead of studying and that failure is nothing bad or negative, more something to learn and try again and better then. Students should understand, that you can walk the 0815 ("normal") way. But that instead of this you can try to build something new, on your own and break off your studies for this, because you have a brilliant idea of founding a start-up.
- I would hope that we get a better awareness of business in Germany. There is already enough information and contact points for start-ups, but so many people don't know.

- Germany needs more for the implementation of entrepreneurship in society, more economic classes in schools (I did not even have the chance to get any information about this topic at school), more cooperation between university and entrepreneurs, yes, expertise fields (implementation of internships in the course of study) at schools and at universities and, regarding firm start-up, courses, clear information and business-relevant information that is easily available.
- I think most of my peers would never found a start-up, because this culture is missing here in Germany and you deal with this issue your whole life
- Our whole education system is overloaded with tests, general useless information, overloaded with general knowledge which is controlled by a few people in government agencies or academics.
- It would be also useful to know better how to found an NGO, about social entrepreneurship, but also normal companies, which can help you to secure a (not large) income.
- Dealing with a swimming pool with corrupt partners and people around you (see some problematic countries) taking a look at good and ethical working companies nationally and internationally.

It should by now be clear that small businesses are vital to all kinds of economy – the data show this. What the data do not – and cannot – show are the human stories behind the numbers, and these are what this book is all about.

4. ENTREPRENEURIAL SUCCESS STORIES

The stories you will read in this book are inspiring. They tell the tales of individuals who had the confidence in themselves to take what for the majority of people is a daunting step. They talk of the challenges they face, and how they overcame them. You will also find out what motivated them and what keeps them motivated. There are risks involved when someone becomes an entrepreneur, but there are very many rewards.

4.1 HELPING GIRLS IN UGANDA – SOPHIA KLUMPP AND PAUL GRINVALDS

Sophia and Paul are the founders and directors of AFRIPads(U)Ltd. The two started a journey to Uganda to do some research for their thesis. It was a trip that they never regretted and is a milestone on their journey. Here you can read Sophia's thoughts....

While in a small remote village of Masaka in Uganda, we noticed that while some young children were wearing uniforms and going to school, other girls were involved in domestic work at home. We observed this over a longer period of time, not that it was our main purpose to do so but because we were getting concerned. This prompted us to ask people we were normally hanging with about it and later also asked some heads of schools and other adults involved with schools.

To our amazement we found out that most girls do not go to school when menstruating and the main reason being because they do not have and cannot afford to buy sanitary towels. We were very astonished to find out that something so natural was preventing girls from going to school and so was affecting most girls' performance in school.

In some countries some topics are very sacred so no one is allowed to talk about them, and menstruation is among them. For instance in some communities in Uganda where we lived and where our company was founded, when a girl or woman is menstruating she is not supposed to go out in public. To us this was the worst stigma we had ever seen, so we started brainstorming about how to help improve the situation for girls and their education.

One day around then, I had my period came at a time when I didn't have any sanitary towels stashed somewhere in the house. I couldn't manage to walk to the nearby shop to buy some without embarrassing myself so I sent my husband Paul to go buy some for me from the shop. In most African communities like Uganda men do not have with anything to do with womens' undergarments or, worse still, sanitary pads.

The shock on the face of the shop attendant – it happened to be a man – when Paul asked for sanitary pads was clear, his expression was confused. He was wondering why a man would be associated with such 'things' (since some men refer to them as a curse) and so our other goal now was to also involve men in the fight against menstruation related stigma.

Back home in the USA and Canada some people prefer to use re-usable sanitary towels. Since most girls in Uganda were using rags, tearing their bed sheets or clothes, leaves, dry cow dung, sitting in sand, or doing other things to survive the menstruation period, we thought it would be a good idea to create a product that was reusable, accessible and affordable to all girls and women, especially students.

The idea was to make a sanitary towel of washable cloth, which would be cost effective, environmentally friendly and also socially acceptable. We did research and carried out a few studies, all of which was unrelated to our earlier goal which had been to write a thesis for the university, this being the main reason we came to Uganda. However that didn't matter because we had seen a need which had to be addressed immediately.

Back home in Canada, where Paul comes from, there is a company called Lunapads which makes washable re-usable sanitary towels and so we borrowed their idea (officially) to make a similar product in Uganda for Uganda girls and women.

January 2009 was the start of the pilot project with 3 members of staff, and we were lucky to sign a deal with a third partner whom we did not know and had never met, but met for the first time to convince him to invest in our project. Mr Bert from Holland decided to take a leap of faith in us, even though we didn't know each other previously, and provided finance to help carry us through the first stages of the project, thereby becoming a third partner. The first 6 months of 2009 were mainly about the pilot project and the next 6 months were all about preparations for scaling up the project to become a real business. The actual official start of the company was January 2010.

Family and friends were generally confused when we talked about changing our plans regarding our research theses and post graduate studies to start our own project. They thought we were not making a good decision, since we had no money and our return air ticket was cancelled (because we had changed plans on travelling back home), and since we were leaving our home countries, family and friends and studies to start a company manufacturing washable cloth sanitary towels in Uganda. Most of them asked the same question "Are you sure you are making the right decision here? And does it mean you're not coming back home?"

I studied and graduated with a degree in Environmental Science and my husband Paul studied and graduated with a degree in Biology. For people closest to us it would have seemed to make a lot of sense if we had ventured into something closer to what we both studied, like farming or forestry. However, on the other hand my interest in graduate school had been to study Public Health and, luckily, menstrual hygiene falls under this umbrella; on the other hand my husband Paul was interested in Business Studies at graduate school.

Our graduate schools interests coincidentally but perfectly matched, and from that angle people closest to us started realising and understanding why we thought our project was an interesting opportunity. Family and friends knew that we were taking a huge risk since we had no capital, the product we wanted to launch had no base in Uganda and, to make matters worse, we did not even have a business background. Nevertheless, given our personalities, family and friends were left with no choice but to be supportive, because once we set our

mind to do something nothing stands in the way! On the other hand we had nothing to lose so why not go ahead and see what happens?

For start-up capital we had limited finances even though we needed to do a lot of things. We used less than \$4000 to start up, and so we had to think and operate on a lean scale until we met with Bert from Holland. Up to that meeting with Bert, we used the limited recourses we had at the time to purchase some sewing machines to start production.

Just like most entrepreneurs out there, before you really set off and start producing or offering services of your project all you do is spend money which in real sense you may not even have. The addition of a new third partner – Mr Bert from Holland – helped more than we could imagine because the first financial commitments he made helped us carry out a more comprehensive pilot project and study; all he asked from us was monthly updates on achievements, what's going well with the company and the challenges too. By July 2009, a few months after the meeting with the third partner, we had established a proof of concept.

In the start up years of developing a product, determining the market need, sourcing input materials (especially on the local market) at good price points yet at the same time striving to make a product good enough and affordable enough for people to buy is difficult and a major challenge.

Pauls's and my main aim was to target the bottom of the pyramid (normally referred to as BOP's) who are the lowest price consumers (who may want a Blackberry but cannot even afford to buy the cheapest phone on the market). Determining a price that fits and is acceptable to such a group of consumers is extremely challenging, and a challenge we still face every day. Therefore we had to learn to design elements with costs in mind so as to find the right position of price point and product.

As an entrepreneur you are responsible for every aspect of the business in that you are involved in every department, be it finance and accounting, sales and marketing, human resources, production, logistics, public relations and much more. And with a small start-up, you are trapped both financially and in terms of human resources, as you need more people than you can afford, and this is a challenge almost all entrepreneurs face.

As AFRipads continues to grow and develop, we constantly keep thinking about how to gain and retain the trust of our customers, whether it's a single individual or a big organisation like UNICEF – all have to be treated in a similar manner. This is because our product and brand is still totally new to the Ugandan market and all the other countries in Africa, where consumer trust is based on networks and word of mouth in the form of recommendations.

Behaviour change is another big challenge for us. Therefore we work with partners like Marie Stopes. The research we have done indicates that behaviour change is to a significantly related to peer pressure. To get the AFRipads to the BOP's we have had to work with major partners who have mastered behaviour change, to change girls and women so they move their old way of rugs, papers, leaves, and so on, to re-usable and cost friendly AFRipads.

However, the problem was and still is that the poor school girl still cannot afford to buy the kit (which is packed in two ways: 1) the Deluxe kit which costs \$4.60/year and has 5 pads, 2 holders and a plastic bag; 2) the Comprehensive kit which is \$ 5.70/year and comes with 8pads, 2 holders and 2 plastic bags) yet this is the very reason we started the project.

Most girls come from poor families which have an income below \$2 and even though the price of a kit of AFRIPads is lower than the disposable pads in the market, still some girls miss school and cannot get hold of decent material to use during their menstruation. On average a girl who is lucky enough to be able to afford buying disposable pads will spend around \$55.50 per year, yet AFRIPads cost only \$ 5.70 per year. Therefore to ensure that every girl out there gets equal access to a decent sanitary towel and does not miss school during menstruation we work together with organisations that work on women and girls welfare. We also make sure we create awareness and teach how to use and look after AFRIPads.

From the business and operational perspective, how to manage and maintain cash flow to enable operations financing is still our biggest challenge and fear. For instance, if a customer makes a big order and but if payment takes more than a month to clear, we still have to make payments for all input and output operations, using financial resources we don't have because the company is small and still growing, so then it becomes difficult for operations to flow as they should be. Most start-ups that cannot stand this "heat" end up failing. We survive by pushing our resilience beyond our own capability. There are many more challenges which come our way, given the fact that we are foreigners from two different countries operating in a foreign country and continent.

Starting AFRIPads is been the most rewarding experience of our lives and we have never thought of giving up. In a few months we'll be renewing our working permits with the Ugandan Immigration office so as to be able to continue with the growth and development of our company.

As we grow the company, structure is also changing. But the changes are to do with creating departments such as finance, sales manager, production and logistics, among others. Therefore other employees have to go through their departments whenever there is anything they need. These changes are not to create bureaucracy, but are a way of reducing the work load on my and Paul's shoulders. Previously we were every department, and now we want to put more focus on strategic planning and development rather than spend most of our working time approving and going through requests from every employee. Once in a while we have a round table (especially if there are to be any changes, like product or company logo) because we seek all employees' input and opinion on the future of the company.

We appreciate the fact that the government of Uganda acknowledges the work and contribution of the private sector and that is how the government has supported us. Whenever there are conferences, seminars, workshops or public dialogues which are relevant to what AFRIPads is doing, we are always invited. It is a sign of progress that the government of Uganda acknowledges private sector stakeholders.

Together with other stakeholders involved in the support of girls' education and the Ministry of Education we have published a book, "Menstrual Hygiene Management", as a guideline for young girls who are not introduced to this body change by their parents or guardians. Most of the time the girls get the wrong advice from the wrong people (like getting pregnant will stop abdominal pains) or are humiliated when they start their period at school and boys see this and call them names and make them a laughing stock at school.

I delegate most tasks but I love making field trips to places where most of our product end users are, because the product, process and people are very important to me. Paul (recognised by WASH United as a Menstrual Hygiene Management champion last year) is mostly involved in the company's business development within and outside Uganda. The most special part about my work and role as the company's co-founder is having a relationship with a customer whose hard earned money I am taking in exchange for the product we have created. I find that very rewarding since I delegate most of the work, like sales to the sales team, so I value these visits and follow-up with our customers at least once a month to be able to connect with them. We are still a small team, 12 members of the administrative staff, based the office in Kampala and 50 men and women (mostly women) at our factory in Masaka; they use manual sewing machines to make the products. We try as much as possible to involve men in our line of work, even though this is purely a female product, because menstruation related stigma causes a lot of harm, with girls even dropping out of school under pressure from males, who consider it a curse.

As the business world changes every single day, our wish is to see AFRIPads become the leading brand of the re-usable sanitary towel, with additional cost saving product lines (diversification), with a staff that keeps growing and working for a company that rewards their efforts well because we are making a big change in society and communities. And with what has been and is happening in other neighbouring countries, we also wish for a more open and inviting political climate to foreign businesses since the majority of our investing business partners are foreigners.

We have created a product which meets a social need, creates employment, leads to improvements in health and sanitation in the long term, preserves the environment, and makes tax contributions. Therefore we have a more inviting and open environment that fosters the development and growth of the company.

However, I'm not so much of a workaholic even though I work most of the time, but I like to do a little sport as a relaxation from work stress; it has a calming effect, so sports is very important to me. I love running and I exercise every single day. I also love spending time with family and friends, reading and mostly travelling (and by the way Paul and I are godparents to Julia, a daughter of friends of ours who are more like family).

However, the sad part is that between Paul and me there is no difference between our work lives and personal lives because there is a very blurred line between the two lives, therefore personal lives and work are both intertwined. We do not have a typical work day in our lives because there are very many things to do at the same time. With my role not only as co-founder but also manager I spend most of the time at my work desk putting things together regarding the

future of the company and I never know what challenges are going to come my way (consistently if at all).

As an entrepreneur one tries to put so much in the business, in financial, social, emotional and other terms. We both feel like we now have a five year old child together called AFRIPads. We shall be getting married officially this September and are looking forward to this moment. We intend to have a party at the factory in Masaka where our long journey began.

We have received two awards so far: the PPR award in Paris in 2013 (now re-named the KERING Foundation) and an award recognising us as the most innovative idea in women's health by Women Deliver in 2012.

Most young people studying are not sure of what they want to do, but my advice is take a plunge, because if you don't, nothing will happen. You should be willing to take risks, and to do that you must be willing to believe in yourself, your potential and your capacity. And be willing not only to do the work all by yourself but to convince other smart, intelligent, exciting and motivated people to do it with you because you can't do it alone. To be successful you need a team because the stronger your team, the stronger your success.

I am often asked to give a word of advice to fellow entrepreneurs out there, but I always find it so hard because what comes to mind is: what kind of advice would I give to myself? All I can say is do not be afraid to ask for help. Most entrepreneurs are humble and proud but please do not be afraid to ask for help when you can.

4.2 MAKING A DIFFERENCE IN NIGERIA – OREOLUWA SOMOLU

Born and raised in Nigeria, Oreoluwa Somolu is 38 years old. This is her story....

I live and work in Lagos in Nigeria. I am married but have no children yet. I studied Economics as my first degree and Information Systems as my second degree (Masters) in England. I always had a desire to go to England and I was happy when I got the opportunity to go and study for my Master's degree from there. It was very challenging and different in a kind of way, because I found it to be educational in a sense that I had to learn how to interact with people from different countries while I was becoming integrated into the English masculine culture. It was fun for me to integrate in another culture so I really enjoyed it; it's different from Nigerian education because of the mixture of different nationalities.

My family lives in Nigeria. I have two siblings, a brother and sister; however my sister passed away two years ago so now it's just me and my brother.

I worked before other companies before founding my own start-up. I worked for an oil and gas consulting company called LONADEK. In Nigeria it's a policy from every student that completes studies should work for the government at least for a year or two. It's called the National Youth Service Corps. You basically work for the government so you can get to be posted to any part in the country, but doing what's related to your studies. I was posted to an oil and gas company in Lagos and I was working as a coordinator. What we used to do was organise programmes for oil and gas companies, such as training among other things. Some-

times you are posted to private companies like I was, but most were posted to government institutions. Nowadays that has all changed; everyone is posted to a government institution or corporation. This process is meant to help you gain industrial experience before you finally get a job or are employed by a company.

I left Lagos when I was 19 years old and lived abroad for 11 years. I came back to Nigeria when I was 30. I spend most of my time working, especially from home. But whenever I get free time, I read. I love to read, and for that I started a book shop. I love going to concerts, cooking, eating out, travelling and spending time with my friends. Since most of them are married with children we don't get together that much, but we try most of the time to catch up on each other's lives. I don't often have time to enjoy my hobbies, but I try to read a book at least every day. This year I haven't travelled yet, but when I do it's especially for work so I extend my time for a short holiday.

Both my parents are engineers. My father is an electrical engineer and my mother is a civil engineer. They both worked for the government and they are currently retired but my dad does consulting now and my mum works for a school. Often when still a child I got a sense of their work and I involved myself in their work by visiting their offices and working sites. Civil engineering is mostly a man's job, so it was a demanding job for my mum but since she was a kind of woman of steel I can proudly say she was a success in that field. Even though I visited their work projects, I was never influenced in any way to specialise in that field nor did it make me want to be an engineer. I honestly have to say that mathematics was not my favourite subject. To become an engineer you need to be good in maths and sciences, and to make matters worse when I saw the kind of work they used to do, I knew that I did not want to join that kind of profession.

My friends are a mixture. I have those friends I met in the entrepreneur industry and I have friends I have grown with. With friends I have who own companies, we talk about work and work balance, and with other close friends maybe about relationships. Most of my friends have totally different work fields and each of those contribute to conversations differently, with a different learning curve.

When I look at myself today, I can say it's hard to say who or what inspired me to have my own start-up. The way I became an entrepreneur that am today wasn't like a direct path. However, when growing up I didn't want a job that would be boring. I wanted a job where I had a lot of variety – not doing same thing every day, work that would allow me to meet different people and to travel and constantly learn. As I grew older and started working, I realised that I wanted to be my own boss. I like to be in charge of my work, and the freedom to do work as I see it should be done, and not having someone looking over my shoulder telling me "do this, do that, you must do it like this".

Therefore, in 2007, I decided to find my own start-up after I had moved to Nigeria while working with the oil and gas company. The company used to do training and recruit engineers for MNC's and there was a gap in getting qualified and competent people with several skills. So we decided to work with students to let them know what's needed when starting your career to get a good job, and what's really involved beyond good grades, like applying solutions to real life problems. My boss put me in charge of that process. Earlier on I had wanted to

work with women and girls but I had put that aside while working, and working on this project reminded me of my passion.

Women are always discriminated against when it comes to the job market and society expects women to put aside their desires aside for others, and I watched my mum do while growing up. Even when you don't have a maternal instinct, society still expects you to do that. I felt that nowadays women have more opportunities than in the past. They can go to school, have a career, and so on, but are still expected to do all the things they were expected to do centuries ago. Now they have school, work, family and domestic chores etc. It looked to me that in this century it's worse and harder than it was in the past, and I thought in many ways that they still are hard today. I have always been interested and an observer of women's' lives so I thought and still think this is unfair.

When I started learning about technology it was just like a pastime. After I finished my secondary school and while waiting for my results to go to university, I decided to take computer lessons for about six months. There I got to learn that I can actually use computers to do a lot of work like finances, accounting, spreadsheets, type documents, write programs, and so forth. When I started university I thought that I should use my newly learnt skills to make money. I started typing essays or documents for students who would pay for the service. So I realised that I can also earn money from home or in my room. I started thinking how much this can help women who stay home or do not have the money to advance in education to learn a skill and earn a living.

This thought is one of the reasons I decided to do Information System for my Master's degree. I thought that women can use information technology to change and make their lives better. Technology gives a lot of opportunities in terms of the different means and ways it gives to earn income and I want the women in today's century not to miss out on this opportunity. While at the university in the England, I would do research and read more about technology and I realised that women, especially women in Africa, were barely anywhere in this industry. There is not a lot of data showing that women and men use a lot of technology or even how much technology has helped them in a positive way like income earning. There is a big gap between men and women in terms of technology use, and this is not only limited to Africa but the western countries as well. So I then started developing online courses, because I thought if women do not start using technology or even developing policies around technology, we shall be left behind.

That is what inspired me to found my organisation. I wouldn't say there is anyone behind this inspiration except my own research and observation. I didn't do any market research. I only looked at the data while working with an NGO to help women in use of technology where I realised that even developed countries had the same problem. I also volunteered at a shelter for women who had been abused or battered, and taught them how to use technology and different ways they can use it to earn themselves a living. I saw the effects months later. For instance, in some situations, the children of these women would come by and show interest in what their mothers were learning and so they also started learning in the process.

I realised that when a woman learns, her whole family learns, so I was seeing a beneficial effect for the family. The other thing I realised was that most of these women and girls got jobs, because of the certificates they were getting on using

Microsoft or computers. It hit me like this: if in America, where you expect everyone to be well off and have the ability to use computers, the small training we were giving to women was able to work a miracle, then it could do wonders in Africa and for my people back home.

When I was ready to start, I just went ahead and did it. I mostly use my instincts to a lot of things, because I always think if it is the best decision and in case it's not and doesn't work out I can always do something else. Nigerians in general are very entrepreneurial, even when someone has a full time job; they always have a small business on the side. So when I told people I was starting my own venture they were not surprised but happy. However, when I told them it was going to be a social enterprise that they did not really understand. They were thinking how can I throw away all opportunities available for me at the time to start a non profit organisation? How could I and where was I going to get money to pay employees and also to run the venture for it to survive?

However, my parents were very supportive and have always been supportive of our dreams. My mother was very happy because she is a great supporter of individual independence, so she felt it good to do what you always wanted to do. They supported me with some finance for a start. I did not tell most of my friends and colleagues, because I did not want negativity. My husband was very happy about my idea, but he did not give me a car. I had a few people who thought I was not making a good decision and they thought that since I had a promising career, I should wait till I made enough money that would help finance the organisation. For me, I felt now was the time I had to do it, because I thought maybe by the time I make a lot of money to finance it, I may no longer want to do it but something else.

It took months to start. I founded it in 2007 while working. I was volunteering online on a project in the USA to do with technology mentoring, and once I wrote on my blog that I wished there was a programme like that in Nigeria. Someone commented that if you decide to set up a project like this, I will be there to help you. And I thought, why not? At that time I was doing my one year working for the government in Nigeria and I always had one free day per week. I decided to use this time to go to schools and work with the girls, teaching them how to use computers, how to blog and how to set up blog pages. By the time it ended I had got an insight in how I can use technology to change women' and girls' lives in Nigeria. During that period I came across a grant that was going to be awarded to an organisation or venture that works with the local communities, especially women and girls in changing their lives. I thought I should write a grant proposal since I had been working in the same field that that grant was targeting. It was my first time writing a grant proposal and therefore I did not think much was going to come out of it.

But I just thought why not give it a try? I sent in my application, and after some months I got news that I had been short listed. I was so excited. All this was in 2006, and I got the news at the end of 2006, in December. All the shortlisted candidates were invited for a workshop in Uganda. It was actually also my first time going to Uganda. Even though I was excited about the opportunity and how close to the grant I was, I was also nervous because all the other short listed candidates worked for non profit organisations and I did not. I was an individual working for a company and this was my own project on the side, so that was my reason for the nervousness. But I thought to myself, why am I nervous? Obvi-

ously I have been short listed because they see value in my project. In January 2007, I went to Uganda for the workshop and it was awesome. It was that moment that actually confirmed to me that I really had the passion for this venture. I loved the learning, the sharing of knowledge with other people present, and learning about what their projects were about. As I talked about my own project and shared with the people at the workshop, it also helped shape my ideas.

When I got back home in Nigeria, I got an email that I had been selected for the grant. I was very excited, that the first time I wrote a grant proposal I got the grant. I was also happy that my project was getting some finance to help it take a bigger step. The grant was sent in the middle of 2007, but because I was busy with work I did not start immediate implementation of the project. With the sharing at the workshop and winning the grant, this all gave me confidence to quit my job and concentrate on my project. I thought that I should focus on using the grant for what I said I was going to use it for. The grant was \$5000 (Canadian), which was a good start but not enough for the project. I was able to get in kind donations from friends and family plus my own savings to add to the grant.

I am good with financial management, so I made sure that costs were kept low. When I was working, I never understood my boss always cut something out of the budget on the project I was always working on. Starting this venture with the little finance I had at the time made me realise why my boss always did that and that it was for a genuine reason that she always did that.

We have a board of trustees for this organisation who act as guardians. I am one of the trustees, plus two other people. We meet twice every year to talk about the direction of the organisation. They also do make some financial contribution even though they are not bound to. Finances and anything that has to do with the growth and survival of the organisation are my total responsibility.

Start up was a low budget affair because the office space was donated and I didn't and do not have to pay for it, our training space is also donated. I only started with one staff member and added one more months later, and the process continued.

Since I won the grant which I presumed easily, I thought it was always going to be like that all that time, I write a grant proposal and it's accepted. So in the first year of the set up, we did not get any other grant or over three years. The next grant we got was in 2011, and this made me start questioning my judgement in quitting my job to start up the organisation. That was challenging, because we didn't have funds to run the organisation. I used a lot of my money and was also grateful for my parents support in terms of finance during that time. I also found and still find adjusting my life a bit challenging. I no longer go out with my friends as much as I used to. I adjusted my lifestyle a lot because I could no longer afford to do some things I love, like shopping, hanging out with friends, and eating out, and other things.

I found myself in a situation that now I can no longer think only about myself but also my organisation and my employees. I have to make things happen, like pay salaries, write grant proposals and so on because families depend on me. This is a huge responsibility. However, the good comes with the bad. I am now in charge of my own project, have flexibility in my schedule, independence, but on the other hand, am responsible for people and their livelihoods.

The vision of our organisation: To enable a society where Nigerian women and girls can use information technology efficiently and effectively for learning, businesses and advocacy. That is: they understand the power of technology, they are able to use technology. For instance if a woman has a business she should be able to use technology productively to benefit her business. Students are able to use technology effectively for their learning through finding good study resources and information that can help in their academic pursuits. We also want the girls to pursue technology as a fulfilling career by having the confidence, understanding and knowledge of the options available.

I have come to accept the responsibilities that come with being your own boss and am fine with that. Working for someone only comes with the comfort of knowing you have your salary at the end of the month, however the downside is that you will always report to somebody, your time and movement are scheduled for you and you have to be at the office at a specific time and leave at a specific time. And with some Nigerian companies you have to be at work from 7 am to 7 pm, that is not healthy for an individual even though they badly need an income to survive.

We are so far six on the team. We have a programmes co-ordinator, communications officer, research and documentation officer, technology assistant, and intern and me. How they are hired depends on the job requirements. For instance our programmes coordinator – I wanted her to have a computer science degree because she would be helping to develop the programmes and curriculum, among other things, but with others it is just by chance that they have a qualification in IT.

Since we are a small group, we sit in one room so most times everyone talks to the other whenever they want something. But as we grow, through job requirements we let them know whom they will report to. It is important that we have a way for how we report to each other, because initially it was just me. When we first started we regarded each other as friends, we still chat as friends but at the end of the day I still want them to know I am their employer and I want them to perform to the best.

When it comes to activities, I wouldn't want to delegate the writing of proposals for grants. I like to go out there and meet people who can be potential partners and I like to share and talk about what my organisation does. I recently attended a function dedicated to the Day of The African child, and the moderator had to leave so I was called to replace her, and I realised that I like moderating.

There is a lot of administration work, and am quite happy to delegate someone to do it, even updating our social media pages.

W.TEC has grown since we started with 2 employees and now we are six, even though I like the changes, I didn't want to grow so big like 100 employees. I would like to see us grow and have more like 10 employees in future. I would also like us to get more partnerships and funding.

For instance we are starting an after-school project, so we would really want to have funding for that project, because funding right now is tied to projects, therefore I would like to get funding that is not tied to specific projects that can be used for paying salaries and meeting administration costs.

I wish to have a never ending source of funding so that we can focus on innovative projects without worrying about a lack of funds. I also wish to have a more committed staff, not only committed to working but committed to the core reason for the project without them wanting to change career.

When it comes to Nigeria as a country, I would like to have leaders who really care for this country and its citizens. I would like to have leaders who have goodwill and have a different mindset, are committed to making Nigeria the best it can be and creating an environment where peace and harmony can thrive and people can be financially independent. However, we need to look at the root causes of 'terrorist' and 'BoKo Haram' incidents – it's because most people are poor and frustrated, they don't have things to so they easily get diverted because they are disgruntled. We would like poverty to be tackled. Similarly, access to education, health facilities, transport among others, so that the gap between and poor is not so big. For instance, most parents who can afford to, send their kids abroad to study because mostly there are good facilities, resources and security. So why can't the same be provided for a student here in Nigeria to prevent incidents where girls are abducted by militia men? I would like Nigeria to have a more equitable distribution of resources and also recognise young people, instead of giving awards to the same old people who have been in politics for years, because I believe there's a space for new young people.

It's also very difficult to set up a business in Nigeria, because most resources such as loans are not easily accessible. We have a lot of businesses that have started small and grown big, so even though there are a lot of challenges, I think that it's doable to start a business with barely nothing, but I strongly believe if there were certain incentives targeting young people a lot of entrepreneurial potential would be exploited. There are many high taxes, where you pay so much yet not a lot is being done to help you as a business. There is a lot of bureaucracy and intimidation, which makes it very challenging.

There are many changes happening in the education system in Nigerian, but unemployment is high because it is very difficult to get a job. You need to have a lot of connection to secure a job because the numbers of applicants are ten times more than available positions. This has pushed many young people into making their own start-ups to create jobs for themselves. The downside of this phenomenon is that there is no passion in it, but only a way to create a survival package. One good thing that the government scheme has done was starting up a project called 'YOUWIN' where people between ages 18-40 can apply for a grant to start up their own ventures. They do not have to pay it back, but use it effectively for the reason they got it in the first place. You also get to attend business clinics as part of requirements for this grant. I have applied for it once and attended these clinics too, so it is very helpful. However the education system is still very poor, except for a few states that have good facilities, like Lagos. When you are in school you are preparing yourself for the world, but when you do not have access to good education and facilities, it can be very hard!

Because my work keeps me busy, my personal life is limited even though I treasure it. I spend much time working, so it is now a conscious decision to cut out time from my schedule to rest. Compared to the time I founded W.TEC, now I can say I do find some time to read a book, see friends, work out, eat well by preparing a good home cooked meal among other things, and I try very hard to feel guilty about it.

My husband goes to work before I do, so I take some time and am with him for maybe a cup of tea before he goes off to work. Then after I check my emails, get my bible, read it and pray. Sometimes I work from home, but it depends on the day. Sometimes I run errands in between office work, but my typical day is not typical because it depends on the day. Try not to work on weekend, and when I started dating my now husband I promised to start making time for us, because if you do not make time for a relationship then you will not have the relationship. If you say you will make time when you get someone, it's like you are lying to yourself, because you need to make time for you first before you make time for another.

Now that I own a bookshop also I find myself working on some weekends, because we have book readings, however it is fun. I have to create free time during weekdays.

For entrepreneurs out there, if you want to do something, go ahead and do it. It's good to know what you want to do and to write it out. I am a good fun of writing things down. So write them down and share, because it helps you in clarifying it and shaping it. Identify the people that will give you the best advice and talk to them. Your idea will only get shaped when you implement it. A lot of people like to plan so as to make a perfect beginning, but my advice is that situations keep changing and that means every single day you will keep making changes, which means you will never get that perfect time and will instead let the idea die along the process. So just go for it.

4.3 VAVA COFFEE KENYA – VAVA ANGWENYI

Vava Angwenyi was born and raised in Kenya by parents who were bankers. Her father, who passed away 15 years ago, was a banker who worked at major banks in Kenya, and her mother, who retired from work four years ago started as a teacher but later turned to banking. She is the fourth of seven children and was the first girl in the family.

She studied Actuarial Sciences and Statistics at university and also has a Masters degree in International Finance. Vava took a completely different path to what she studied and decided to venture into the world of entrepreneurship.

Now 33 years old, she owns a coffee roasting and packaging company – Vava Coffee Kenya Ltd. She lives and works in Nairobi and is raising a single parent a six year old girl.

As a student she always liked the logic in mathematics and it was her absolute favourite subject. She has no plans for further studies but intends to focus her energy into entrepreneurship and for that she feels that it requires all her attention. There are valuable lessons she has learnt and is still learning from entrepreneurship that at this point she thinks it is a degree in itself. She feels has acquired so much knowledge that she could write a book and teach a class.

Vava plans on taking some management exams at some point in the future so that she has qualifications to match how good she is in entrepreneurship, however at the moment she is satisfied with what she has achieved on the academic level.

Bringing change in the world and especially within her society in terms of the potential of businesses is her passion and primary goal at the moment.

While studying in Canada and travelling in the USA and Sweden, she discovered that there is more to life than just what people are accustomed to. She loves martial arts, photography/art, travelling and cooking. Sometimes she thinks about concentrating on only one of the things she loves to do during her free time, but she rarely finds time for all of them since her life revolves around her business.

With martial arts, she finds time to do it at least twice a week because it's a challenging sport which keeps her fit and focused. She started the sport while in Canada and was lucky to get one of the best coaches to train her. She also loves a good home made meal and she is proud to say she is a good cook, which means that she rarely eats in restaurants. Vava also has an interest in languages, learning about new cultures and travelling to broaden her knowledge base. She also loves photography and art, which gives her a good eye for colour and decorating spaces. This is a hobby that turned into a small business for her but with limited time, it has not grown and so she only does it for family and friends.

To find some free time to do most of her hobbies, she has to force herself to find the time so that she can relax from work pressures, do something outside of work and also refresh her mind. However as a mother there is need to balance work and free time, to be a good mother to her daughter and a good partner, and all this requires a lot of discipline and taking the steps to manage the balance between personal life and work.

Vava Angwenyi got a lot of inspiration from her late father, with whom she had a close relationship and she gives most of the credit to her father for making her the person that she is today.

Her father invested so much in her education so that she would have a future as an independent woman and not have depend on other people, and also so she could make a better life for herself and her community.

To Vava Angwenyi, working for her own company is much better than working for someone else's company or business. While growing up, her parents used to share with her and her other siblings their daily work experiences, and most of them were about office politics, work based office dramas like fighting for promotions, and these stories further influenced her decision of not working for other people.

Kenyan society believes that a woman should have a better education, a decent job, get married and have children. At one point in her life Vava entertained such conventional thinking and wanted to please people and her society. However at the back of her mind she always knew what she wanted to do and decided to put aside these societal beliefs and pursue her dreams. With that decision in mind, she had to find a way of informing her family, especially her parents about what she was about to do, because she did not want to shock them (from studying economics and finance to processing coffee). Her family's reactions were very negative, but with determination she ignored them and went ahead to make her dreams come true.

However, this was a process in the making of the dream and along the way she was at one time employed as a lecturer at a local university, but this was on her own terms and fit her work schedule which enabled her to run her other businesses at the same time.

While in Canada, she always watched as her friends got part time jobs but she had no passion to do any of the jobs on offer at the time. She also lost touch and contact with her former friends in Kenya which was a little difficult during the time she was back in Kenya. Most of the people she had gone to school with were married with kids and had a proper job unlike her, and that made her feel like an odd woman out.

She met other fellow entrepreneurs in and around Nairobi and these are the people she normally goes to consult or for advice whenever she is need of something.

Vava feels that entrepreneurship in Africa is hard, especially when you are a woman; to some people it is strange to see a woman who is an entrepreneur, therefore she feels there are very many blocks in a woman's way when venturing into the world of entrepreneurship.

She and her friends usually find time and get together to share a coffee, talk about businesses, daily experiences, stories and also share ideas. They cannot always manage it, but they do where possible try to make time.

There are various things that have influenced her while growing up and her years in Canada were influential. She noticed the disparities between her home country and Africa as a whole with the developed world and this had an impact on the path she took today and her desire to make a difference in her community.

Vava Angwenyi thought that the local coffee farmers were getting just pennies for their hard work yet the companies abroad were making millions out of the same coffee through adding value.

Her passion is to see less poverty and fewer challenges for people in her country in terms of potential and innovation, because Kenyan products are selling more and more outside Kenya. But the Kenyan community does not benefit enough from their own hard work and this is because of some economic constraints holding them.

Other experiences and exposure from travelling and studying abroad played a role what she is doing today. According to Vava Angwenyi, most successful entrepreneurs do not have time to plan when and how to become entrepreneurs but instead find themselves doing what they do, while those who sit down to make plans always end up giving up on their dreams because they see their plans are bigger than the reality, especially in terms of money.

The motivation behind her venture is the fact that she wanted to set a company that spoke to and addressed the needs of Kenyans, and for that, Vava decided to use coffee as an instrument for change in the world. This decision was also supported by her interactions with Kenyan coffee outside her home country. While studying in Canada, she frequently visited Starbucks and other coffee shops where she used to sit and sip a cup of coffee and in the process, she started get-

ting interested in the coffee business. Her studying of economics made her understand the reason for disparities between the Kenyan coffee and the coffee sold abroad, and this pushed her desire to start a business in coffee with major emphasis on a supply chain that would ensure that farmers benefit more from the coffee they grow.

When it comes to work, she can easily delegate deliveries and sourcing for materials or company utilities and administrative work, but she does not delegate such tasks like planning which determine the future of the company.

She would like to see Vava coffee having a greater impact globally and on a regional level (Africa) through providing more employment opportunities to the people inside and outside the region and also a through continuously adding more value to the product.

Vava Coffee Ltd has won several notable awards over the years. Among them are the BBC World Challenge, where the company was one of the top twelve social enterprises worldwide, a Kenyan Entrepreneur of the Year award, and in 2012 she won an award as the most influential and successful business people in Kenya.

However, when it comes to politics Vava Angwenyi has no wish or interest in getting involved, unless it is a policy to do with the industry; whenever she can, she tries to keep away from politics because it is messy.

As for those that would like to venture into entrepreneurship, the advice she has for them is that they should have the strength and determination to see it through. She advises creativity on what they do and also to follow their instincts, and decide if they are making the decision just for money or if it's a passion they are following. She advises that when people venture into entrepreneurship just for the sake of money, in most cases when the hard times hit, they run away, but if it is the passion they are after, they will always persist with determination to win.

Her work influences how she lives her life however she always has to find a balance and she emphasises that it takes a lot of discipline to balance and separate work from private life especially when you are an entrepreneur.

There is no typical work day for her, like most entrepreneurs but unlike employees. Every day is the same though, in that because it is always about the future of the company and its relationship with its stakeholders (employees, coffee farmers, consumers among others).

Weekends are no exception, Saturday is also a working day for the company and even on Sundays she finds herself working which leaves her with no free time, so she has to create free time for herself and her family on a daily basis.

Her advice to fellow entrepreneurs out there is: tell your stories. You never know who will be interested and inspired by your struggles and challenges and also the gains. She also cautions entrepreneurs not to glamourize their work, for the reality is different.

4.4 INTERNET BASED BUSINESS IN THE FORMER SOVIET UNION AND BEYOND – KOMIL RUZAEV

This is the story of Komil Ruzaev, who started a successful new business on the internet and has made it grow beyond frontiers.

My name is Komil, and I am 30. I was born in one of the most marvellous ancient cities of Uzbekistan – Bukhara. My parents were school teachers, which meant our family wasn't so well off because of the low salaries teachers received in an independent Uzbekistan, following the collapse of Soviet Union. I still remember that we had financial difficulties in our family during the 90s, when plain bread with unsweetened tea was our usual daily breakfast. Probably this was one of the main reasons of my impulse to be self-employed.

My parents always believed in me and in any ventures which I started. My father often insisted me that I should lead our family to a new level. He wanted me to be successful, and stick only to proper values.

I started to work at the age of fourteen. It was a time when I saw how much money passed me by. I used to work for many people, but it was always a problem for me to work for someone else and get just a salary. The older I became the more I realised that it is necessary to be an independent person. My ambitions and financial goals always told me that only my own business could allow me to achieve the kind of life I wanted for myself.

As a first step, I got a proper business education at Westminster International University in Tashkent. During my studies there, I found like-minded people among my course mates, and we became very good friends. Later, I and other my three university friends started trading on the stock market of Uzbekistan, where we were very successful. However, Uzbekistan was hit by the financial crisis in summer 2009 – as were many other countries – caused by the real estate bubble in the U.S. It became a challenge for us, as the Uzbekistan stock market was not so profitable during that time. So it was a good opportunity for us to explore new horizons.

We had been following the trends in the global web industry for a long time in order to explore online business ideas that could also be successful in our country. Followed by that, one of our friends once showed us how the daily deal business was growing rapidly in the U.S. We were intrigued by this idea, and did some investigation and read several articles about this business model in the U.S. Later, we discussed it, but inside one hour decided that Uzbekistan was not ready for such an online business, but that Russia was ready enough. Collective buying services were not yet been popular in the Russian internet industry. The company name – Kupikupon ("buy a coupon") was thought up by the same friend. We liked his idea and we all immediately came to an agreement. One week later we were already in Moscow.

Our mission to conquer the Russian internet portal was a real test of our strengths. It was quite hard to start a company without any experience from the scratch in a country where you know absolutely no one who might help you. We had no idea how to open a company in a different country, how to draft contracts, hire staff etc. We made a lot of mistakes and omissions, and we stumbled many times. However, we were full of enthusiasm and firm in our ideas, as we

always knew that whatever doesn't kill us makes us stronger. Simply, we were never frightened to fail, and trusted ourselves. If someone is scared of failure, he will never become a successful entrepreneur, since any business brings its own difficulties.

We started our business completely from the scratch, i.e. without any platform or databases, and with no existing systems, unlike our top competitors. They started off building on the basis of already existing companies in the U.S. and North Europe, and they launched six months earlier than we did. Thus we were in a catch-up mode. But our financial education helped us very much. We did not sleep for almost two weeks before we launched our business project. We used to take all decisions promptly. Sometimes there were some significant decisions that we had to tackle in less than a day, i.e. in the initial stages we had a strategy that no decision was to be delayed.

I am grateful to my close family members who always supported me; however other relatives and some friends thought that we were insane when we left our perfect and comparatively wealthy lifestyle in Uzbekistan for a place that was completely unknown and very difficult for doing business. Nevertheless, we accomplished our startup project within three months. We found programmers to create our online platform and then registered it. In parallel to this, we hired the sales managers who could start searching for our first customers and professionally demonstrate the benefits of cooperating with us as an effective way of promoting their products or services. As a result, our website became a good intermediary between companies and their potential clients, who had the chance of getting whatever they liked at better prices.

From very beginning we were investing our own money and money from so-called "friends and family" investors. In this regard, we were very limited in our funds. In two years our company has grown exponentially and we have become a well-known company in Russia, owing to our persistence and team working. But as soon as this market became very attractive, the number of players with greater capital resources increased. The rivalry got very tight, and in order to keep our market share, we had to attract a professional investment fund to raise our capital base.

We were afraid to spend money on advertising at first. We thought that it would be a waste of money, since our business model was completely unfamiliar in Russia. With only limited start-up capital, we had thought that it would not be effective to spend it on advertising. Now I understand that this was one of our greatest mistakes, as we shouldn't have afraid of that.

Having started in Moscow, we gradually began to expand to the other big cities of Russia and later on to countries such as Kazakhstan, Ukraine and Belarus, because it was easier to expand in these countries in our early stages due to similarity of the legal framework and prevalence of the Russian language. Next, we continued our expansion into the Baltic countries, but we knew this was already Europe – a different culture and language. Clearly, our brand name was clear in the Russian language, but would be quite unclear there. Therefore we have had to promote our services under a different brand name that would be easy to pronounce, without some unwanted extra meaning. After much research in focus groups we chose the name "Zizu" (vivid, short and easy to remember). In all three Baltic countries, we are represented under this brand.

Practically, with each new market it has taken less effort to create our subsidiary. For today, in almost all of our markets, we are one of the most prominent and successful representatives of collective buying services. Before entering a particular market, one of us used to visit this country to conduct all the necessary investigations on the spot. Then we recruited our team from locals, whose task was to run our units in their countries. Nowadays, we employ 150+ employees in Russia and about 50 employees in other countries. We use a democratic style of management, where we have very friendly relations with our employees. We prefer them to share their views on how we can improve our business.

As there are four of us, we are still running our business on a day-to-day basis. This is mainly because no one can do it better than us! We have distributed the core managerial positions in our company among ourselves (marketing, HR, sales, IT, investor relations). We usually try to delegate routine work and rather concentrate on developing new directions for our business.

Nowadays, we are still one of the top 3 deal-of-the-day websites in Russia. In the future, I want to see our company become much more stable, more profitable, much bigger and a more diversified business. We still have much work to do, but one thing I have found for myself is that what I should not forget about is my family and personal life. At first I didn't pay attention to this. Later I understood that without life outside work, our business will suffer. Any person should have a time for rest and should set enough time aside for his family.

4.5 FROM SELLING BAGS AND PASTRIES ON THE STREET TO OWNING THE LEADING FLOORING BUSINESS IN TASHKENT – ALISHER AVAZOV

Here you will read about Alsiher Avazov, whose story of being an entrepreneur contains many twists and turns...

I was born as the fourth child in our family. We lived in an old house which was located in what were more or less slums. When our house was demolished to allow the construction of new apartments, I was in the fourth grade. My parents were promised a new apartment in this residential building after it was ready. Before that happened though, we had no private housing, and my family had to move among relatives and friends for four years. As it was the Soviet Union, my father didn't earn enough to keep our big family.

Because of these financial difficulties, I began to think about how to help my family when I was in the fourth grade. So I started as a street peddler. I became really good at this street trading somewhere in the seventh grade. Selling bags in the market was my first business. I remember when it was cold weather, I used to trade in the market without any warm clothes until the last bag had been sold. Right before the collapse of the USSR, the living conditions of our family got worse. We were almost on the edge of poverty.

One day I suggested to my mother to prepare dough for me in the mornings. So every morning, before leaving the house to help our family by going to work, she was kneading dough for me. Right after school, I used to bake pastries while taking care of my young brother. After my mother came back home, I went out to the street to sell my pastries. Since my business was not quite legal, I often had

problems with the police. If I got caught by them, I often burst into tears, using my age as a weapon, and they had no choice except to let me go.

When the residential building was finished, our family finally got its own apartment as had been promised. Since I had had good experiences when selling bags, I started to sell bags at the market close to my home. As I was doing well, my mother and I decided to open our own shop to make our own bags. We did so, and soon after I started selling my own bags. I remember, I wasn't very happy when I had to rush right after school to the market, stand freezing in winter due to not having even the most basic warm clothes and trying to earn some money while my classmates were hanging around with girls and had fun.

As I had little time for my studies at school, I could not continue with my studies after school graduation. However, it did not become a barrier in my life, since I have never worked for someone else. On finishing school in 1994, I already had some of my own savings. I was sixteen and I got into the perfume business by renting a shop in the underground passage. At that time I only had one item of sportswear, but I swore to myself that before I earn \$3000 to buy a car, I will not buy any clothes.

By the age of seventeen, I earned this money with the help of my perfume business. So I decided to buy my first car in Germany. Having just got my driving licence, I dashed to Germany with my friend. Arriving there in 1996, I was shocked when I saw the huge gap between the quality of life in our countries. It seemed to me that I was in the country of future.

I stayed in Germany for two weeks, and during that time I bought my first car – a ten year old BMW for 3000 DM. I still wonder how my parents could let their seventeen years old son go on such an adventure. Perhaps they trusted me and knew that I am self-reliant.

When I came back to Tashkent, I fell in love and quickly became addicted to a life without cares. It was a reason why I lost control over my perfume business, and I got into debt. So I sold my car in order to cover my debts. It became my next life lesson, and having pulled myself together, I returned to my perfume business with new zeal and so I was able to expand it by opening several stores in other underground passages.

After some time, when everything was going well and I was earning enough money, I realized that this kind of stability does not last for ever. Therefore I started to build a billiard hall in order to keep the money I'd earned in case of any problems with my perfume business. Just as I foresaw, in 1998, after improvised explosive devices exploded in Moscow's underground, our government decided to remove all stores in the underground passages of Tashkent, in order to minimize the likelihood of similar terrorist attacks. By this time, my billiard room was almost ready and I shifted to this business.

Having worked in the billiard business for almost two years, I realized that I was stuck in it, and was no longer developing. The only thing that I was busy with was the billiards business. Eventually, I decided to sell it, and move to the USA, where my sisters had already settled. I had big plans in the USA, but unfortunately, I was denied a visa. Having lost any hope of getting into in the U.S., I opened a company specialized in the job placement of Uzbek building workers in

Moscow. This business was profitable; however, it was very difficult to run it, because at that time there were no labour agreements between our countries. So after some time I shut it down, and decided to stay in Moscow to seek my fortune there. At first, I rented a room in Moscow, but after some problems with the landlord, I quickly found myself in the street. I remember that day well, as I gave a call to my best friend Valera from my childhood, who had been living in Moscow for two years by that time. When I explained to him my situation and asked him for help, in response he talked about his compassion and concern, and then simply hung up the phone. Nevertheless, I was able to find a place to stay the night and on the next day I found an apartment for rent.

At the beginning, I was an illegal cab driver in Moscow. I was driving an old car bought for \$1500, and it was the only alternative for me to earn money in a strange city. I had no intention of returning to Tashkent, as I knew that Tashkent was not the best place to run own business at that time. In two years, I had enough money to buy a new car. Every day when I was in the street, I had the target of earning \$50 net by driving my cab.

When I had enough money to start my own business in Moscow, I opened a shoe store in one of the shopping centres in Moscow. This business did pretty well, and I had decent earnings. But – my understanding of a good entrepreneur is a person who is takes risks and gambles. Besides, I believe that three things may ruin any man: this is first of all women; abuse of alcohol is in second place; and thirdly it is gambling. Surprisingly, there are different methods to help a man to cope with the first two weaknesses, but addiction to gambling is incurable, and I had never heard that it could be treated.

So, Moscow spoiled me in that I started to gamble, i.e. I often went to play in casinos. As a result, I did not just lose everything I had, but also got into debt. I knew that it was impossible to restore my former financial position in a short time, so I decided that opening my own small casino would be the best solution. I was also motivated by the idea that it would help me to control my addiction to gambling. After finding an appropriate location in one of the restaurants in the suburbs of Moscow where the main clients were truck drivers and some travelers, I installed several slot machines. I was 26 at this time.

Later, I had decided to return to Tashkent for a while, because my parents wanted me to marry. However, after having stayed some time in my homeland, I was reluctant to return to Moscow. Therefore I moved my gambling business from Moscow to Tashkent and had a good profit from my slot machines. It was fantastic when you did almost nothing throughout the day and made a profit of \$500-\$1000 per day. My typical day was to wake up somewhere around midday, go to the barber's shop for cool hairstyle, then have some lunch and head for my so-called work. Once there, I watched how people were losing their money, and at the end of day, I left with the cash. I was so entrapped by this business that I often manipulated my machines in order to increase my profits. Eventually, I came to understand that this business was damned, as I saw how people were cursing me if they lost. Moreover, I could not sleep normally at night with the lights off, due to a fear of the darkness that developed.

Nevertheless, I ran this business for almost two years. From very beginning, I told myself that as soon as I buy a new car, I will stop it. So I bought a car. Then I told myself that after purchasing a new apartment, I will stop. I purchased one.

Then I decided to renovate my apartment, and I did it. But my appetite did not stop at that. I said that I need to marry, and only then I will give up this business, and I got married. But nothing changed. As a result, the outcome was clear, and I became a gambler myself again. In two months I lost everything I had earned during these two years. The way my money came to me, the same way it was gone. I had huge debts again. Meanwhile, my nightmares kept bothering me. Sometimes during the night it seemed to me that instead of my wife being next to me, it was a witch, and it made me jump out of bed. It scared my wife, and she thought that something bad was inside me.

In those days, my friends got interested in religion, and they persuaded me to go with them for Friday prayer in the mosque. Having joined them, after the prayers, I asked God to give me an opportunity to return everything I lost, and in return, I vowed to stop gambling and close my gambling business. After the mosque, I rushed into the casino. It was a miracle that during the time that I spent there I was able to get all the money back. It was unbelievable luck. Of course, I tried to win more, but after making up the loss, luck turned away from me. I realized that this was my limit, and I stopped playing that day.

But we often do not learn from our own mistakes and do not keep our word to ourselves, and I broke the promise I had made to myself and God. I could not find the strength to close my gambling business, and what's more, a week later, I began to play in the casino again. Disaster was not long in coming, and one day a fight broke out in my casino, and I was stabbed three times in the stomach. I was totally shocked when I saw my bleeding body. Luckily I was taken immediately to hospital. When the medical staff put me on a stretcher in the hospital and began to cut my clothes off and wash off my blood, I instantly realised that it was not just an accident, and that I could die. But what I would leave behind? In fact I did nothing good to leave behind. I had noticed that I was living wrong, where money was my only goal.

It was a turning point in my life. I decided to stop playing with my destiny, and to put an end to endless empty promises to myself and to sinful deeds. Since then, I am trying to be honest, be responsible for my deeds and be less sinful. So right after the hospital I gave up to all of my shameful practices and started my current business from scratch.

Everything started at the moment I saw that some of my friends were importing different construction material from China. I was curious about that, and also decided to try. With two thousand dollars in my pocket, I imported to Uzbekistan a small batch of bamboo flooring from China. One of my friends helped me to sell it. After making some profit, I went to China again and brought more bamboo flooring.

Step by step, this business captured my imagination and I decided to develop it. I began to study Tashkent's largest construction store carefully. Since the shop was large, disorderly and crowded, I got the idea that it would be better if I opened my store somewhere on the edge of town, so that people could buy construction materials they needed comfortably, without fuss and problems. Moreover, my intention was to offer extra services like: free delivery; qualified consultation by sales personnel; and installation services. I found good place for the new store, which was the birth of my own flooring business. Gradually, I started importing floor coverings not only from China, but also from Europe.

Later, I have attracted my friend Djakhongir into my business, after he left his office job. Together we began to run our business. In order to finance our flooring business, we decided to borrow some money and put it into the real estate market. We were making approximately 20-30% in profit from reselling property. But this profit was not enough for our flooring business, and we decided to sell some of our property. Later, we also took out bank loans. Through such financial schemes we were able to expand to having several stores around the city selling a variety of goods. Nowadays, we are the top player in flooring business in our country, and we have big plans for our business in the future. At the moment we sell laminate flooring; parquet; block parquet; linoleum; carpeting; decorative flooring; industrial flooring; and all accessories for flooring. We also provide a range of services for ground preparation and installation of flooring. We are doing our best to create a praiseworthy business together with my partner.

I believe that my success in business is largely a result of harmony in my family. Without my wife and family, I don't think that I would have become the person I am now. I think if a man is lucky enough to find his partner for his entire life, it can be assumed that his life was an eighty percent success. By telling you the story of meeting my wife, I can say that it was unusual and peculiar situation.

Before meeting my wife, for about seven years I had been dating another woman whom I loved so much. But it turned out that this woman was not destined to be my wife. I believed that she was the one who could be my wife. But some women can, if they want, hide their hypocrisy and true face for a long time, and only reveal it later. In my case, after 3-4 years of our relationship, I became very tied to her and felt a deep love for her. When she figured out my weakness for her, she began to exploit it. At that point I experienced her true nature; but it was too late, as my love was stronger, and I had no chance but accept it. All her scandals and quirks were exhausting me inside. In the sixth year of our relationship I finally figured out what she wanted from me, and what she had been seeking in me.

She thought I was a loser, as she had been a witness of all my ups and downs. When I had a downturn in my business, I was a loser in her eyes, and she kept saying that I do not achieve anything. Simply put, she did not believe in me, and she wanted everything right now. In the seventh year of our relationship, she met another well-off man, and dumped me. I suffered a lot when we parted and my pride was hurt because I knew that I was capable, and I was not a loser. I just needed someone who would be by me and would support me. For some reason, I thought that she was the one, but she did not believe in me, and when she had no faith in me, I also thought myself as a loser. So we broke up, and life continued.

One lovely day, when I was returning home in my car, I suddenly noticed in the street a tall, shapely girl with gorgeous long hair. Like any man, I admired her beauty, and drove on. After driving for 300 meters down the one-way street, my inner feeling told me to stop and get to know her. Having stopped, I began to drive in reverse, by violating traffic rules and impeding the movement of oncoming cars. When I got back to where I had seen her, I noticed that she had already disappeared somewhere in the neighbourhood. I rushed to look for her, and luckily, I found her talking to her neighbour in front of her house. I looked at her and realized that she was the one who should become my wife.

On the next day, following our traditions, I sent my mother and my aunt to their house, so that they could bring us together. Her parents decided that if I pleased their daughter, they would agree to our wedding. Unfortunately, after our first meeting, she didn't like me absolutely. However, I did not despair, and I made it so we would meet again, so she could know me better. And so when we met for second time, I was able to win her heart with my smooth talk. Then we dated for a while and later we got married. Of course, after our marriage, I had different obscure feelings, as I still had feelings for that girl. So I cannot say that I loved my wife at the beginning. Soon after the wedding, I was seized by panic because I realized that I have no feelings for my wife. She was very pretty; however, my heart was still belonged to another. But it was too late, as I made my choice.

Still, having lived some time with my wife and after we got children, I began to have feelings for her. We have gone through difficulties, and she was always there with me and supported me throughout. I liked her attitude towards me, my parents and my children. She loved me with tender passion. Therefore, I did not understand how I fell in love with own wife.

So my main conclusion is that I know my wife loves me the way I am and it makes me happy, and deepens my love for her. As a result, I am very glad that I came to the right decision of marrying her. When the right woman is by you, you are capable of many deeds.

4.6 PUBLIC RELATIONSHIO GURU IN MOSCOW – ALJONA FABIANI

This is the story of Aljona Fabiani, telling us how she came to found her PR company 99 Francs Communication Group in Moscow.

My name is Aljona and I am the founder of a PR agency in Moscow. I love my job and I had to go a long way before getting involved in my favourite business. So I would like to share my entrepreneurial story also with you.

I am an ethnic Russian with distant Italian roots, born in Ukraine, but I grew up in Obninsk, which is located not far away from Moscow. I can say that my way to the world of PR started at school when I was a teenager. I remember that I was actively engaged in all the social activities of my school, organized many events and wrote many articles for the school newspaper. At the same time I was went to a drama school and played the guitar. In general, everything I did it at school was related to creative work. But at that time I had no idea that the PR industry was my destiny.

When it was time to decide what I wanted to be, it was very difficult task for me. I had a choice between law and design art. In those days, it was a top desire of young people to become either designers or lawyers. But I didn't choose design art, because boys had more chance to get a scholarship than girls. So I was reluctant to try my luck and just went to study the law at the local campus of Moscow University of Finance and Law (MFUA).

In the 4th year of my studies at the campus I decided to transfer my studies to Moscow in order to finish my studies there. Since then, I have been living in Moscow. I graduated from the law faculty with honours. In 2004 I began to work in the Bar Association and after a while I moved to a law firm. But for some rea-

son, I later changed my mind becoming a lawyer. This decision was basically supported by the fact that a lawyer has to do repetitive kind of work, especially a corporate lawyer. The typical workday of the lawyer involves always working with the regulatory enactments, as well as other different paperwork; on top of that, laws change at an incredible rate. I felt that this job was too far away from my identity, and I wanted to have a job where I could apply my creativity. In this context, a year after obtaining a law degree, I have decided to get a second higher degree at the same university, but this time in the Faculty of Journalism and Advertising, in order to have a chance to work in the PR and advertising industries.

After receiving the desired degree, I began to work for the INTERMEDIA Information Agency. The aim of the company was to carry out research in industries like: cinema, music and show business. Their final product was The Yearbook of Show Business, which was published once a year.

After that, I worked for a full cycle in the advertising agency, where we had very good practical training. We were exploited enough, this was so we could improve our resistance to stress. This training was very difficult and challenging for me. We were earning very little money there, but were given a great chance to get invaluable experience, as well as handy soft skills that helped me in my life. After this advertising agency, I had an opportunity to work in other places like a car company, entertainment centre, and a PR agency.

In the PR agency I was invited to lead a promotion project for a restaurant chain named Yaposha, which was owned by Ginza Project Holding Company. However, immediately after the financial crisis that shocked our country in October 2008, the company began to lay off most of its staff. Naturally, as I had only been working few months in that company by that time, I did not get the job as PR Director to that chain of restaurants. This led to me becoming unemployed.

The unusual stages of my life started right after my dismissal. For 2 – 3 months I was unemployed because I could not find a job. During the crisis, it was very difficult to find a job as a PR specialist. I slept a lot during the first month after losing my job. Then I went to my relatives who lived in another city. I got bored so I came back, since it was impossible to find any PR job. I was very frustrated because of that, and was discontent due to my inactivity and joblessness. It was a signal for me to change my situation. So based on my experience in advertising and PR, as well as on having connections in these industries, I realized that I had to establish my own PR agency. That's how I created my own company, and later named it "99 Francs – Communication Group".

So now I had my own company. It was very important for the PR agency to have a decent company name, but I had no problems when choosing the name for my company. After reading the book by Frédéric Beigbeder – 99 Francs – and watching the movie based on his book, I simply named my company the same. There are a lot of things I agree with the author about in regards to advertising and customers, since many situations from the book were similar to my practice as a PR specialist. For example, there was one phrase, when the main character says that when people go to the dentist, they do not advise him how to treat them properly, as they completely trust him. He continues his argument by saying that advertisers want the same attitude; however, in practice, when the client turns to advertisers, he starts to give his opinion, showing that he supposedly knows

more than the advertiser. He ends his speech with the phrase that if the client comes to any specialist, he has to trust him. I have repeatedly been faced with such a situation, when the customer tried to dictate and impose his ideas, which actually did not work. Some customers think that their ideas are attractive, and try to impose the promotion strategy. Therefore, there are a lot of TV commercials that are not very interesting and creative nowadays, because usually customers dictate their preferences.

Well, it took me somehow one and a half months to register the company. I chose the legal form of individual entrepreneur, since this business form gives you advantages for taxation and bookkeeping. It should be noted that, before founding the company, I tried to get a public support, since I had not had any experience in opening and running my own business. Pleasure to recognize that from last year in our country started different programmes to encourage entrepreneurship in our country, conditions for doing business in our country are changing each year. Approved programs to support small businesses. "Tax holidays" for two years and will affect only newly registered individual entrepreneurs who use simplified taxation system, or patent. Take advantage of tax freedom can only those who are engaged in the manufacture of products, research and development or the social sphere. Release of newcomers in the field of small businesses from the tax revenues for the first 1-2 years of operation should serve as a dynamic development of the Russian business. In accordance with the amendments to the Tax Code of the Ministry of Finance of Russian regions will be able to establish the scope of business for which the tax rate will be 0%. Presumably, it will be with SP simplified tax system, working in scientific, industrial and social spheres, or without the involvement of hired workers. "Tax holidays" – is anti-crisis measure. Its purpose – to help those who dare to open their own business in times of financial instability. The list includes 26 "activities" for the SP using the simplified taxation system, and 17 professional directions, using the patent system of taxation. And it is not the only measure of support for Russian entrepreneurs. After the imposition of sanctions received special support Russian manufacturers of food products, farmers, and others. So basically, I did some training in business, as well as attended every possible exhibition in order to improve my entrepreneurial skills.

Since I had a pretty wide range of experience in this business, I did not conduct any market research. I was lucky to get started immediately, as it was already a business field that was familiar to me. I do not remember that it was difficult to find customers from very beginning, as I had very good connections to people in this field. Also, word of mouth helped me to win some customers. Right now, it's worth pointing out that I have a shortage of staff in my company, due to the large number of projects.

Naturally, I made a lot of mistakes in the beginning. For example, I had to learn about the chaotic business practices of Moscow, which are the main problem in the capital of Russia. In essence, there is no guarantee that the customer will meet his obligations to pay for the services after signing the contract. I faced this several times, and when it was time to pay, we had difficulties in getting our money. They were trying to delay the payment with all sorts of reasons or even were trying not to pay at all. We had a case when one of our customers vanished without paying for our services. Of course, I could address this issue in court; however, this requires a lot of effort and money. That is why it was easier to terminate the contract. So after several bitter experiences, I decided to work on

advance payment conditions. Our customers do not mind cooperating with us on such conditions, as we work with most of them following the recommendations of our other customers.

From the very beginning, my mum was the only person who supported me; meanwhile, my father was very sceptical about my business activity for a long time, until I appeared somewhere in the press or was interviewed on the radio. For a long time, my father thought I should become a lawyer, as PR is not a serious undertaking. My friends also believe that PR is not serious, as they believe that I am simply having a good time. They probably just do not understand the nature of this business.

I am very glad that I have a partner in this business. Her name is Helen. We are building our company together. She has been working in the advertising industry for a long time, and we met each other during one PR project when I was working in a PR agency. In this project we were competing parties, as our customer hired several PR specialists in order to pick the best PR strategy for his company. Ironically, we met once again a year later. Even though we were adversaries in one project, we still had a positive impression to each other. When I met her again, she was at odds with her partner. So I asked her to become my partner, and she accepted it. That's how we started to work together on an equal basis.

We are almost two totally different individuals, i.e. I am good at doing certain things, and she is best for other activities of our business. She is a very good organizer, so that makes her responsible for advertising, budgeting and media planning. As for me, I am more responsible for the creativity part of our company. This is the way we complement each other. Usually we do not experience any disputes at work. We may only have different views on some issues of our activity; however, we have had no stress in our relationship so far. I think, first of all we have a mutual understanding of each other as business partners, and I appreciate her professionalism and honesty as well.

Naturally, we would not have achieved with my partner what we have now without our coordinated team. My team was formed from my previous colleagues or people with whom I had previously worked in the advertising and PR industries. Since I had a good relationship with them, I invited them to be a part of my team, and they agreed, for which I am very grateful. The most vital thing is that I like the results of their work, and this is very important.

Despite having a fairly close relationship with my team, I am very demanding of them. Sometimes it is very difficult for me to delegate certain work, because it seems to me that on some occasions my employees cannot fully cope with the task as I wish. Therefore I am very demanding, both of myself and of my employees. Normally, I can trust my employees to manage the project; however, I cannot delegate all the process of creating the PR strategy of the project. On the question of the development of the PR strategy we approach the whole team, but the basic outline of the main creative concept I develop, I personally.

I always want them to be creative. For example, if we are preparing the draft of any PR project, I expect them to give me ideas that differ from everyone else's. Therefore, we consider each project very diligently, by making use of individual approaches. As is well known, the uniqueness of the product always makes a company stand out in the market.

Our main specialization is PR services for the restaurant industry. However, we do not limit ourselves only to restaurants, as we also have quite extensive experience in other business fields. We consider the projects from other business fields equally. Simply put, we started to provide our PR services in the restaurant business; therefore, we have more expertise in that field. PR principles are universal, and the only stipulation for providing PR services to a particular business is to have a very good understanding of the specifics of this business.

Since in most cases we work with restaurants, we do not need any office for our daily work. Our discussions and meetings are held directly in the restaurant, in a pleasant and comfortable atmosphere. The rest of the time we work remotely from our homes. The only necessity for our daily work is an active mobile phone and stable internet connection for a computer, as more often than not I am in touch on the phone or via the internet. My young employees do not mind working in such conditions; as for me, results are more important. Probably, I will base my business in a decent office facility in the near future as my business expands.

It is nice to say that I am happy with what I am doing now, and it makes me content. Nevertheless, you also get tired from even work you love, as I have to meet with clients or conduct telephone conversations and so on. In addition, I always have to write all sorts of small texts and sit in front of the computer many hours a day. Naturally, I get exhausted at some point, which is a good reason to escape this workload to some distant lands. A change in atmosphere helps me to get recharged. Therefore, I often like to organize a holiday for myself somewhere in Europe or in a warm country.

In addition to traveling, I love writing. I write poems or write my interpretations or opinions on different subjects. I also like to read fiction, and I am trying to create my own fiction. However, because of having little free time, I have not yet written more than the one chapter. Well, I think in the future, if I have more free time, I will get these things done. In the meantime, my family and friends are critics of my current literary work, and maybe they're flattering me, but they say that I am doing pretty well.

It is also important to say that I had more free time when I was an employee. But when you work for yourself, you have limited time. This is because you expect more from yourself and realize that if you work more today, you will earn more money, and if you work less, then you get nothing. For sure, I have less time now, but I have an opportunity for example, to sleep extra hours in the morning. When you work for yourself, you have an advantage in that you can manage your time how you want. So sometimes I can work until 6 a.m. and then sleep till the afternoon. Night is my favourite time to work and create, as usually I am full of energy then. If you are an office worker, then you do not have such privileges.

In my opinion, the lack of free time is typical of every entrepreneur, as any new entrepreneur wants to improve his business by pursuing more stability and financial gain. It is the main reason when a self-employed person does more compared to the situation if worked for someone else. Probably this is also a reason for my active business life on week-ends. Of course, I want to relax during the weekends, but when you have your own business, you have to manage it and build it. But I am always looking for a chance not to schedule work on weekends,

and to free the weekend for my recreation or for meeting with friends. If it is not possible to escape from the work on week-ends, I try to work in the afternoon and in the evening I spend my time with friends.

Coming to my future goals, I have the dream of growing my business beyond of my country within 5 years. Also, I want my company to become more famous, more profitable, and to have an opportunity to run it just once in every three months, as I wish to work less and spend more time on my leisure and recreation activities. I think if a person has a goal, he will achieve it. It is important to be a goal-oriented person, because if you are committed to reaching your goal despite any difficulties, you will achieve it anyway.

Based on my past experience, I can say that I had many difficulties in my life, but these difficulties have made me stronger. As a result, I gained important experience and shaped my behaviour. Usually, you only understand that difficulties were a life lesson to you after some time has passed. I understood the fact that it is necessary to move forward all the time, without giving up. Even if you move slowly, you need to be persistent in your actions. Believing in your strength and being optimistic all the time is one of the important characteristics of any entrepreneur.

4.7 FINDING SOLUTIONS – CEYHUN DERINBOĞAZ

Author: Barbara Engels

Ceyhun Derinboğaz is an “early bird”. The 25-year old founded his second company in March 2014, the nanotechnology startup Grafentek. He has already been awarded many prizes and grants at both companies.

Ceyhun Derinboğaz: “When I was in primary school I already knew that I wanted to find solutions to problems. I always found technology unbelievably interesting. When I was a child I kept taking things apart to see how they work. With the help of my brother Alper, who’s seven years older, I learned to build circuit. Bur Alper wasn’t the only one who supported me in my drive to innovate – so too did my mother.”

She never told me that I should stop doing something, even if it was dangerous. For example, when I was young I build circuits using a soldering machine that could reach temperatures of 400 degrees Celsius. My mother had faith in me and let me work with it. In addition, she never gave me the feeling that what I was doing was pointless.

I built my first two transistor circuit boards when I was 12 and I could use it to control a water pump that was activated by heat. I showed it at a science event in an artificial jungle to show how it could be stopped by a forest fire. It all made sense to me. There are many forest fires in Turkey during the summer – the problem – and I had found a technology that could be used to quickly and safely put them out – the solution. And, by the way, this is my tip for new entrepreneurs: look for a problem and work on it. If you can’t help your customers with your solution, then it isn’t a real solution and your product is probably useless.

The first company: We.dream

In my second year as a student – that was 2011 – my brother and I founded the creative agency “We.dream”. We.dream creates digital experiences, such as special lighting installations. The agency comes up with new technology and works at the interface of art, architecture, live performance, moving images, digital installations and graphic design. It was exciting, suddenly running my own business and earning money as I did so. Also, I worked with architectural designers, sound engineers, visual designers and software and hardware engineers. That was very inspiring. For me, it's also always been very rewarding to develop a product and then to see that other people are using it.

The company went very well, we won an entrepreneurship award and not only got contracts in Istanbul and the rest of Turkey, but in many major cities such as Barcelona, New York and Los Angeles. I earned good money, but the work was sometimes very difficult because of the clients. They constantly changed their minds during the programming process, and we had to go back and revise many things again and again. Projects went on for ever. This frustrated me enormously. My brother wasn't so frustrated. I sold my shares in the company to him. Since then, he has been the head of We.dream.

The second company: Grafentek

After this experience, I wanted to make something that actually provides a solution to a problem. Fortunately, I was working at the time on my thesis at the Yildiz Technical University on a graphene reactor. Graphene is a very conductive and permeable nanomaterial that is structurally closely related to graphite.

My university gave me some money for a prototype of the reactor, but I wanted more. I applied to the Turkish Ministry of Science for an extra grant, so that I could make a battery of graphene. I founded my second company using this subsidy, it's the nanotechnology company Grafentek. At Grafentek there is me and two materials scientists, a chemist and an electrical engineer.

Generally, it is getting easier to establish a start-up in Turkey. The number of start-ups is growing quite rapidly. The government has realized that the Turkish economy can benefit enormously from high-tech products – and these are often created in start-ups. Therefore founders are looked after and respected by the government. I was able to realize my start-up idea just because of the subsidy from the Turkish Ministry of Science.

Before we started we performed many experiments in the laboratory of the Yildiz Technical University. Since these experiments were successful, we decided after a year to set up our own company. I also looked at many nanotechnology companies worldwide and realized that it is not only important to develop a great material, but above all to make a great product from the material.

Grafentek meets these conditions. The company develops lithium-ion batteries with high energy density for portable devices. The special thing about these batteries is that they last four times longer than those that are currently on the market, even though they have the same size and the same weight.

Smartphone batteries that lose power were not the main problem I wanted to solve. I wanted to go further: to store electrical energy efficiently, which is nowadays one of the biggest problems of humankind. There is no appropriate technology to store electrical energy from renewable energy sources such as solar energy and wind energy. Solving the problem of "storability" means democratizing energy in all the countries of the world and being able to deliver real green power to everyone. That was my main reason for starting Grafentek.

Picture: The founder is looking for new answers



Yildiz Technical University is the incubator of Grafentek. We don't have to pay rent for the laboratory. The other way round, the University has no shares in Grafentek. This cooperation is great for us. I am very grateful to the University. As a founder in the high-tech sector you have to work together with an educational institution. The equipment and the materials would otherwise be simply too expensive. I have myself never set up a laboratory. As an entrepreneur, you have to be very careful with your money. It's really easy to go bankrupt before you can finish your project.

Failure: avoided

It happened to me once. Then I almost gave up. In May 2014 I had no money and was still very far from my goal. My co-founders were not too bothered about the project. One of them told me, "Ceyhun, I'm out. I no longer have the money to pay my bill. I'm going to do my PhD and work part-time for the University." He left the company, as did the other founder. Other people would certainly have packed everything in. But I could not, even though I was completely broke and the product was still very far away from being able to be sold as a technology.

I then met with more than 50 potential investors, who were all very impressed at first with my project. In the end, though, none of them invested. However, I managed to get out of this difficult situation. On the psychological level, it is extremely difficult to be an entrepreneur with a failing start-up, even though I had already achieved a lot in my life. But at the time when Grafentek was threatening to collapse, all these achievements seemed worthless.

I've always had a great fear of failure, especially after I got the grant from the government. In Turkey, failure has a very bad reputation. People are not very forgiving with people who "fail". Some rejoice more about the failure of others than about their successes – of course I do not mean family and friends by that.

My family and friends are especially worried because I have so much stress and have to bear the responsibility that comes with having your own business. I do not believe in working very long hours. I do not think that you are successful because you work a lot, but because you work efficiently. I myself try to work as few hours as possible. Nevertheless, I work six days a week and rush back and forth between meetings and laboratory.

Sometimes I do not know if I'm more of a scientist or an entrepreneur. Recently, we received another grant from the government, so that we can do more research. This grant has enabled me to hire four scientists to work in the laboratory.

I love to be in the lab experimenting. Nevertheless, I spend less and less time in the lab, because I have so many meetings and conferences. After these meetings I often go back to the lab to relax a bit. Nevertheless, I am constantly analyzing whether the final product can actually be realized – of course that is a business activity. I'm probably a hybrid of entrepreneur and scientist.

Grafentek is not the only thing I'm involved in. I also have a share of 10 percent in a company that uses a technology that was developed by Grafentek. The company produces a so-called smart glass, ie configurable glass where you can change the amount of light it lets through. Although Grafentek itself is still in the development phase and doesn't have a finished product, it has already delivered technologies to others.

I definitely want to continue to find solutions to problems. It is quite possible that I will sell Grafentek sometime. Progress lies in the heart of entrepreneurship. Selling one start-up provides the foundation for another, larger start-up.

4.8 STARTING A COMPANY AND LOOKING FOR THE RIGHT WORK-LIFE BALANCE – MICHAEL MAEDER

Author: Armin Peter

Michael Maeder: As my bachelor studies came to an end eight years ago, I applied for jobs without a great deal of motivation on points. Actually I had already cast an eye while studying on having my own business. I grew up in China, took my final school exams in Germany and returned to China after studying in the Netherlands and Eastern Europe.

My parents set up their own textile manufacturer in China about 25 years ago. As a child I was in fact permanently involved in the family business and was able early on to gain experience in the fields of quality control and sales. So my being an entrepreneur was really decided while I was still in the cradle, I would say that my father has influenced me the most.

Development measures for staff and senior managers

During application process for management traineeship-programs I got to the second round – but when I saw the exciting opportunities in the Chinese market, I am immediately started as a founder and at the end of 2007 together with my business partner, we started our company *Direct HR China*. The idea for it came during a networking meeting at a Belgian university.

The creation process of our company lasted about six months. We started without a formal set-up and already started projects that we got through our network. Direct HR China is a HR service provider in a broader sense, headquartered in Shanghai. Our core business is recruitment and executive search. Furthermore, we offer consulting services in employer branding, learning and development, and talent management.

Direct HR China also specializes in leadership development. If our clients want to know how well their leaders, certain levels of management or management structures fit to current or future challenges, we then determine that in the so-called management assessments. We look at how you can bring more dynamism and creativity to a team or which development activities which an employee would need to assume a greater leadership role.

Whoever wants to start a firm needs to be patient

As far as the funding of our start-up was concerned, we were lucky, because HR services is not such a capital-intensive business. You can quickly get started as soon as a couple of computers and phones are available. Since my family were already local entrepreneurs, we could at the outset share their offices for our start-up. We then promptly hired a Chinese-speaking member of staff member in order to get better access to the local market. So in the beginning we had only a very small need for capital.

Although I am familiar with the country, customer acquisition at the beginning was challenging, but we could cope relatively quickly thanks to our complete dedication and disciplined work. As a new company in China, we had to first learn what business model works. And that has taken some time.

I've learned through founding my company that it takes at least two to three years until a business reached the break-even point – no matter how capital intensive the start-up is. Both financially and on the personal side you should bring a lot of patience, otherwise you can forget it. It was and is for me probably just like many other entrepreneurs: of course, not every day is sunshine and roses, but overall I am very satisfied and every day enjoy going to work.

The goal is to be in the top five in the Chinese market

If I can find the time, I'm go to relax to the gym or take trips. Also, I like to read, and on the side, support the business seniors' workshop in Shanghai. But I have only thought about the theme of work-life balance dealt me after five years as an entrepreneur. In the early years we were busy most of the time with the start-up, often seven days a week. Only in the last two years has this changed a little. Especially because of a long relationship have I have paid more attention to my time management. Because if there are other people with a claim on my time, I have my work hours limit accordingly – and since I'm my own boss, I can do that.

Our progress has been quite impressive. Right now Direct HR China has more than 50 employees and has a presence in Beijing, Shanghai, Shenzhen and Ningbo. When selecting new staff we are guided by a specially developed competency model in which we define what potential consultants need to bring in order to fit well into the team.

Our vision as an integrated leadership and talent management solution provider here in China is to make possible the recruiting of multilingual managers and professionals on the market. With our complete portfolio we want to serve European, American and Chinese employers as a contact and make it to the Top 5 in the Chinese market. I very much hope that we will continue to develop upwards as before, so we can expand our service portfolio and increase our sales.

4.9 CROWDFUNDING IN EGYPT – SHEHAB MARZBAN

Author: Armin Peter

Shehab Marzban: My mother has kept asking me for more than two years, when I will finally find myself a new job. She does not understand why I gave up a secure job as a bank manager in 2012 and took on the risk of starting a company.

But I never even think about giving up – my co-founder and I are firmly convinced about our idea, even if the cash flow is not yet where we want it to be. We just need a little more time and are working seven days a week to reach our goals.

Our start-up Shekra (an abbreviation for *Sharek Fekra*) is a crowdfunding platform specializing in Egypt that serves as a bridge between entrepreneurs and a wide range of investors. Given the political changes that my country has seen in recent years, it is obvious that the current generation will have a major impact on the future of the Middle East and of the world as a whole. Entrepreneurs play an especially important role.

Selling papyrus on the Christmas market

The start-up scene of Cairo is certainly not as sophisticated as that in Silicon Valley and not as hip as that in Berlin. But there are many young people here that can advance the local economy with good ideas and innovative concepts to. And many already successful companies would like to continue to grow, only they often lack the investors to provide the necessary risk capital. With Shekra we

want to help to increase the success rate of start-ups from the region, so that Egypt can rise to global standards.

I'm moved as an adult back to Cairo; my childhood and part of my study period I spent in Germany. In some ways being a founder probably in my blood, because I can remember very well that I was always creative as a child and liked doing my own thing. At 15, I brought papyrus from Egypt and then sold it on Christmas markets in Germany. That was the first time in my life that I earned my own money – a nice feeling.

During my studies in Computer Science and Economics in Cairo I have looked extensively at start-ups. Also during my PhD studies at the University of Cologne about Sharia-compliant portfolio management, my interest turned to business start-ups. During and after studying I worked for several start-ups, including the "SEKEM" in Egypt. SEKEM is ancient Egyptian, meaning "life force". The company sells biodynamic foods from "Demeter"-farms in Egypt to customers in Europe.

Experience is more important than friendship in the start-up team

From 2008 to 2012, I was in the product development of a start-up involved in "Islamic Finance" and lived 2012 for half a year in San Francisco. There I had the chance to visit numerous start-ups, and was able to have interesting conversations with entrepreneurs in brainstorming sessions. My many years of academic experience in the field of "Islamic finance" and the provocative thoughts of other founders finally motivated me to put together with two former colleagues our own start-up.

Our founding team works brilliantly because our skills complement each other perfectly. One of them is an engineer, the other a software specialist and I myself am a financial specialist. We're not best friends, but work very efficiently together. Many founders make the mistake of selecting their teams on the basis of friendships instead of experience. So often all the important areas cannot be covered, because crucial qualifications are missing.

After the preparation phase of approximately four to five months our company Shekra was formally established in November 2012 as a limited liability company. The launch of our platform took place just about seven months later, so the seed phase took a good year. We raised ourselves the necessary capital with the help of our families and friends. However, we would need several hundred thousand dollars in order to expand. Currently, we have five employees and fall back on a few external consultants when needed.

Twice award winners in the Gulf States

Our crowdfunding model is based on a network of small investors. We have tailored the offer particularly to the needs of countries in the Middle East. This involves in no way donations, but the getting equity via crowdfunding

But Shekra goes one step further. We support start-ups in the implementation of their business plan. In a project with three different phases our company supports the new founder before, during and after financing. We have developed milestones that enable us to assess the progress of the company.

We intend to be the most important crowdfunding platform in the Middle East and the emerging markets. Shekra is still based in Cairo. But at the moment we are thinking about moving to the Gulf countries, because there are significantly more Islamic investors there. It made me very happy that we already won two important awards in the Gulf region in 2013, just one year after our foundation. Firstly the Best SME Development Award of the Islamic Economy Awards in Dubai, then the Ethical Finance Initiative Award of the Abu Dhabi Islamic Bank.

Political instability means uncertainty

In the near future we would like to send a representative to Malaysia and to other countries with significant Muslim populations. Moreover, we have set ourselves the goal of winning investors from Europe and the US for our platform.

Whether all this will be successful depends very much on the macro environment in Egypt. There are a lot of young people in this country with an incredible amount of potential. But they need a proper education, so that they know more about business start-ups. This is what is still missing.

The continuing political instability in Egypt on the one hand creates a lot of uncertainty for entrepreneurs, as investors flee risk. On the other hand, we benefit in some ways, because in difficult times many interesting and innovative start-up ideas are born out of necessity.

4.10 BRINING WINE CULTURE TO BRAZIL – ALYKHAN KARIM

Authors: Stefan Schaub, Vivien Boche

When one thinks of Brazil, many associations come to mind. Wine is certainly more associated with other nations. The American Alykhan Karim is a passionate wine-gourmet and with his start-up based in São Paulo would like shake up the wine culture and gastronomy of Brazil. The company name is based on the Sonoma California wine region, one of the largest wine regions worldwide. The wines of Sonoma wines are now distributed to many places where they are well appreciated.

Since spring 2012 Brazilian customers have been able to quickly and easily purchase on the Internet select wines from small importers of local and national wine areas. The aim of this unique wine project, the first of this kind, is to break the usual conventions that are associated with wine consumption in Brazil. Due to high taxes and related price differences between suppliers and retailers, wine is in Brazil rather a thing for the upper class and the selection of different wines is severely limited.

So 29 year-old Alykhan Karim contacts local wine shops and offers the option of using the Internet platform (<http://sonoma.com.br/>) to make quality wines quick and easy for the Brazilian population to access. Through his extensive network he allows Brazilians to acquire wine on average 60 percent cheaper than the industry average, and will ultimately let the largest possible part of the population enjoy the taste of wine. His e-commerce platform allows not only the sale of vineyards also provides analysis by senior Brazilian sommeliers and restaurant critics of gastronomic trends. Sonoma today has 32 knowledgeable employees, who share the same culinary idea and help to constantly extend what's on offer.

In the footsteps of his ancestors

Alykhan Karim had to become an entrepreneur almost inevitably due of his biography. So his decision was made before he had a concrete business idea and had acquired wide knowledge of starting up.

Alykhan Karim: "Since I was a child, I have cherished the desire to start my own business. This is no accident. Originally I come from a four generation entrepreneur family. My father, grandfather and great grandfather – all of them were entrepreneurs in East Africa (Kenya and Uganda). Even though I was very small and hardly involved in business operations, this world was always fascinating to me – and the impressions are still very present in my memory."

I already enjoyed selling and the lively exchanges with people at that time very much. However, in my last job in the hedge fund field in New York I missed not only the contact with the customers, I lacked the creative room for development and the possibility of acting based on my own decisions. So I had reached a point in 2010 when I knew that I must get my own business on the way. Of course, I was helped by my childhood experiences, when I witnessed first-hand how business processes can work.

But you can't really compare the entrepreneurs then with today's entrepreneurs even if the entrepreneurial spirit is similar. Basically, I did not know exactly what I would do and where when, but the decision to open a start-up stood! Even if I had little knowledge about startups at the beginning.

See the market for cultural innovations getting coming

Through my cultural roots in East Africa, my life in New York, California and Spain, on top of that travels through South America, I have naturally come to know different lifestyles and cultures. If you have seen so much of the world, you have a feel for what products could also have success elsewhere and are likely to enrich the lifestyle of the people. While I can only speak of myself, but you regularly compare what kinds of things you are missing in certain parts of the world, things which are elsewhere part of daily life.

Since becoming a wine lover in recent years, I was a little surprised when I was traveling in South America. Because wine is my opinion wonderfully suitable for relaxing lifestyle of the South Americans, but it is not common there. Wine is considered here as something chic and is too expensive for the majority of the population. The reputation of wine is completely different than in Europe or the US for example. I want to change that with my wine distribution. I have a vision that wine will become something there that will be appreciated by large parts of the population. Wine just tastes too good, and Brazil has fantastic climatic and geographical conditions to be able develop even more varieties and support existing regional vineyards.

With my online sales, I hope a lot to move things in that direction. In the US, the demand for smaller, local wine merchants that also offer their products on the Internet has existed for some time. In Brazil entirely different conditions initially ruled – the wine market was still in its infancy.

Rocky start – convincing people

The start was not easy, I have to admit. I studied the market very closely and talked a lot with family, friends, business owners and potential customers and asked them in particular about their ideas about the wine consumption. Then I became informed about importers and learned about Brazilian tax law. Just because of the ever changing tax policy of the Brazilian government market entry is enormously complicated and risky.

No assistance can be expected from the state. Therefore my supporting founding team and I, as executive and directorial founder, initially agreed on a low-budget project, which had to make do with a low capital investment of \$150,000 for the first six months. Yet we have never doubted our concept, and fortunately, we were able within the first two years to acquire further capital from investors (about 1,000,000 US dollars). This was possible because, over time, others began to recognize how we were enriching the wine culture and to share our vision.

The most important thing in my opinion is right at the beginning to take care to establish a competent network and to speak with the right people. The fact that we appeal to importers and wine merchants directly helps us to counter the major price discrepancy in Brazil between suppliers and retailers. Only in this way can we offer our customers such fantastic wines at unbeatable prices. Since the start we have already built up contacts with more than 150 suppliers and our offering have steadily increased – at a monthly average we sell 7,000 bottles of wine and additional delicacies such as cheese, jam and caviar.

In vino veritas!

“We want to be a trusted friend at the moment of suggesting wines.” (Karim in *Globo Magazin*, 2013)

Even if private life often falls by the wayside due to the number of organizational and technical activities, so it is extremely important for inner balance to attach greater importance to your private life than I do. Brazil offers you a lot of recreational opportunities, it’s a country very keen on fun and entertainment, which can put you at certain moments in a predicament, so you have to sometimes say no. We want our start-up not only to make Brazilians aware of the theme of “Wine” in all its diversity, but also train their palates. A complex task, but one that is great fun.

In the long term I would like my company to be the largest wine seller in Latin America, particularly in Colombia, Peru and Brazil. I wish that people will think Sonoma when having wine. To all founders I can only say: Believe in your ideas and fight for their implementation. Do not give up so quickly, look at problems realistically, but hold fast to your vision. Faith can move (wine) mountains! At the same time I strongly encourage everyone to treat yourself to a fine wine at certain moments. This helps and truly works wonders.³⁵

³⁵ Stewart. Emily :Brazil Startup Roundup

4.11 BECOMING A SUCCESSFUL COMPANY THROUGH WOMEN POWER – YASMINE EL-MEHAIRY

Author: Carina Troxler

Supermama.me was founded on 1 October 2011 by the Egyptian women Yasmine El-Zeinab Samir and Mehairy. Their idea arose because there was a lack of information for pregnant women. To date there have been no materials in Arabic to answer everyday questions such as: What should I eat? How much does a newborn weigh? Why is my stool so dark? And exactly this is the market gap that Yasmine El-Mehairy (CEO) and Zeinab Samir (Product Director) wanted to close with *Supermama.me*. Because Supermama.me offers young mothers – and of course expectant fathers – information in the form of articles and videos that are produced by experts and scientists. The site answers questions about daily planning, balancing family and work, health and preparation of child-friendly meals. Arab women can also share their experiences in discussion forums,

Besides Yasmine El- Mehairy and Zeinab Samir, nine other employees work on the constant improvement and updating of the multimedia platform. Every day there are new videos, articles and tools on Supermama.me, which has its headquarters in Cairo – so the Arab world is also always up to date on feminine issues.

Yasmine El-Mehairy founded the first Arab multimedia platform for pregnant women in 2011 and successfully serves a market gap.

Yasmine El-Mehairy: As a child I knew exactly what I did not want. Namely to follow in the footsteps of my parents who both work as physicians. "I certainly don't want to be doctor," I said on a regular basis, because I wanted to plan my own career. However, there was a problem right there. This stubborn person knew exactly what she did not want to, she had no idea what career she would like later on.

So I began with a degree in computer science at the University of Cairo. I did a master in Interactive Media at the University of Westminster in London. I admit, that's quite an unusual education for women in Egypt. The mindset of many people here is well known – that women should rather support a family than try to have an academic career. Luckily, I grew up in a family that always supported me and my goals. Without them I would certainly not be where I am now.

Breaking down the wall

Before I founded Supermama.me, I worked in various companies, mostly as a project manager in the IT sector. Friends of mine appreciated my way of leading and tried to motivate me to start my own business. "We'll then work for you," they said. At that time I was still too afraid to take responsibility for the pay of my staff. There is also another way of thinking in Egypt. I maintain that most parents dream that their children will work later for major international companies.

Right, and I wanted once again to break down walls and stereotypes by starting my own small business. I'd done with large and international companies as I had a job at IBM already behind me. But I wanted to carry on an activity that focuses

not only on the numbers, but equally on doing good in my social circle. And that's what I missed in the big companies. I was not happy, and I did not want to end up as a moaner who does not dare to live their life according to their own preferences, so I went to my co-founder Zeinab Samir and said, "You're right. Let's pursue a new career path."

Make pregnant women happy and serve market niches

When my sister-in-law was expecting her first child in 2010 and looked on the Internet for information on topics such as "pregnancy" or "infants", she was barely able to find any. Most of the articles were written in English, French or Spanish. This gap has to be closed, I thought. It cannot be that Arab women are still only informed by their mothers and grandmothers. Web 2.0 looked different to me. My co-founder and today's product manager Zeinab Samir saw it the same way. And soon the idea of our own business was born: Supermama.me. In early 2011, we sat down together and agreed our corporate objectives.

Almost a year passed before we were able to put our website online. We didn't want to rush things. Above all, we wanted to focus on quality and detail. Our target group – young Arab women 21-45 years of age – would not be disappointed by average content. Therefore, we sat down together with our mothers and asked them for their wishes. Through these discussions we got important information about relevant articles and a user-friendly design for our platform.

Battle against cultural stereotypes

My family and friends supported me in my ideas, even if they could not hide their uncertainty about my success. To run as a full-time job a multimedia platform that could be used as an app on smartphones was a big risk. I was also not known as the most patient person. But in order to successfully establish a company in a market I had to work on precisely this characteristic. It may not always run according to plan, but if you believe in your vision and are highly motivated when working on alternatives, then objectives can and will be achieved.

Initially, for example, we lacked investors who supported our project financially. So we founded our company for the time being with our own capital. But in 2012 we managed to convince lenders and investors to help our company. That was and is hard work. I am often asked how I build these connections to investors and can keep them over the long term. "These are all nice people. With expectations, objectives and responsibilities," I say then. "I invest a lot of time in my work. You need strength and stamina, then everything will be fine."

For a woman, however, it is more difficult. It is not made very easy for them to assert themselves in a male-dominated profession. As I said earlier, there is still the mindset that women are better behind the stove than at a university. I would like to illustrate with an example. When I wanted to buy a laptop a while ago, I looked at the seller in a very puzzled way. "Don't you want to rely on the opinion of your husband?" he asked me – as if I were incompetent because I am a woman. Yes, I'm over 30 years old, unmarried and childless. And an entrepreneur. Not exactly the ideal and typical image of an Arab woman. But still I have the right to buy a laptop, and start a business. Perid.

In such situations, one should keep a cool head. Just do not get upset, I always think, even if I could burst inside. But what really upset me are people who question my skills. Sometimes people ask me how I could develop Supermama.me without being a mother. These and similar questions really get on my nerves. Supermama.me is not a personal site. The articles users find there are written by experts and are not my own opinion. If a man were to develop a Mommy-Multimedia platform, wouldn't his expertise also be questioned?!

The great ideas of the staff make you into a bundle of energy

But the skepticism of people is not the only thing that makes me sometimes doubt my vision. Yes, I admit it. Many a hard shell has a soft core. Occasionally a feeling of not being good enough creeps up on me. Especially in a world where everything seems to go very fast you must never lose faith in yourself and your goals. Political instability in Egypt sometimes leads to major changes. In such cases it may happen, for example, that investors jump off.

Investors are also critical when they put my and Zeinab Samir's career under the microscope. We have both completed a technical education, but have no business training. So we lacked important information at the beginning regarding financing, accounting and marketing. But we did not let our heads drop. By being assertive. Fighting. That is our motto – and I recommend it to any founder.

Although we are a very young team of eleven employees, but our work is no less good than those of other, possibly older managers. Our team is characterized by a high willingness to learn and mutual support. This team spirit is very important to me. I realize that I can be bundle of energy at work, when the people around me develop many great ideas and share them with each other.

At this point, one or two people may think that it can be just as negative to tell your ideas to others. I should like to contradict that. Of course there are black sheep who steal ideas and use them for their personal purposes. However, I am of the opinion that collecting different ideas can only lead to an improvement – in spite of possible plagiarism. One problem I rather see is the fast pace. Suppose I were to tell you of a great idea, somewhere in the world there will be a second person who wants to realize exactly the same idea – I'm a hundred percent sure. The trick now is to find the best and most effective way of implementation.

We are now trying, for example, to develop a pay model for the future of Supermama.me. But unfortunately Egyptians still have the firm belief that everything on the Internet should be accessible for free. But I hope that the users will realize in the future that in principle online service is nothing more than service in a restaurant. And you don't leave a waitress standing there with no pay.

When I talk about the company's development with young, budding entrepreneurs, they often get to hear the following from me: "The best tip is – never stop learning." Of course, I'm not only thinking of classrooms. Each year sees a large number of new books about business administration. There are also learning platforms on the Internet. And there are friends. "Speak to one another, exchange opinion," I say then.

Also, I recommend to every founder they should look for a business partner, one you can trust and one to whom you can safely delegate responsibility. "Never assume a full responsibility for a project – you should better distribute tasks, 50/50 for example. For working with a partner makes everything easier!"

4.12 HE CAME, HE SAW, HE FOUNDED – FABIO FEDERICI

Authors: Vivien Boche, Alina Seelig

2013 was the year in which Fabio Federici decided to become an entrepreneur. After nine days of the start-up process, he had achieved his goal. "He came, he saw, he founded."

Fabio Federici is the 25 year old founder of the software company Coinalytics. He has both Italian and Spanish roots and grew up in Berg, in the canton Thurgau in Switzerland. Today, he spends most of his time in San Francisco, California. The young entrepreneur has a degree in marketing and was in an MBA program, until he decided to leave it in order to do the project full-time. He sought support for establishing his startup from two other co-founders, programmers and data scientists. With them he formed the founding team of the company Coinalytics, headquartered in San Francisco, California.

Together they have over 20 years' experience in software development and also dealing with subjects such as big data and the digital currency Bitcoin. The founders work on the continuous improvement and updating of real-time analytics to get profound insights into the digital currency and thus represent a significant improvement compared to current solutions. The primary task of Coinalytics consists in the aggregation of data from the block chain, social media and the news, and the preparation and provision of data.

Finding a new path

Fabio Federici: Basically my bachelor thesis was the starting point for my business. Because before I had never thought about founding a start-up. As part of the course "Digital Marketing" at my university I got involved mobile apps and mobile advertising among other topics. After the first spark was lit, I looked deeper into the topic of starting a company, attended events and interacted with people in the scene. In addition, Jason Calacanis influenced me; he brings you entrepreneurs and their stories in YouTube show "Startups in This Week". This is always very inspiring and instructive. On the other hand I was not happy in my MBA studies and had the longing to do something on my own. In addition, my parents have always supported me regarding my professional future. Their help was a big plus for me, it motivated me and helped me with many difficult decisions. Therefore, my entrepreneurial life was often subject of discussion at our home – and my father is still my personal mentor.

Born to be big – the birth of Coinalytics

We co-founders got to know each other through various projects, which over time are fused into Coinalytics. Michael Fiegert, William Gleim, Bill and I were involved in the birth of Coinalytics in April 2014. In June 2014 James Edwards came to our team.

It is particularly important in a start-up team that there should be agreement in terms of vision and harmony with each other. This can determine the success or failure of a company. Another criterion is the ability to learn quickly and to react accordingly. Since all five of us are well matched and had a good feeling overall, we joined forces.

Initially it all began very simply. We knew we wanted to do something with Bitcoins. The question to be answered was "What exactly?" We tossed different ideas back and forth and decided finally for a service that could be used immediately, without us having to wait for the rapid spread of Bitcoins in the mass market. We looked what projects existed in the market and where there was need and room for innovation.

To get going we sought support and got advice in legal issues from a law firm. Likewise, we had uninterrupted access and contact with experienced companies and experts within the framework of "500 startups".

Since my father is the managing director of a software company, he has shared his experience with me, but always passively. In retrospect, this knowledge helped and supported me in my own company.

My family and friends reacted to my decision to establish a company in very different ways. Especially because in my case, not only was the decision to start a business, but also to move to California.

The chemistry must be right

The management team consists of three co-founders, combining competence in the fields of software development, data analysis and management.

We are supported by several advisors who were selected using the same criteria as for the co-founders. In order for the work environment to fit, the chemistry has to be right. This is the basis for a promising cooperation, which is reflected in the company's success. We are constantly in contact with each other using various online tools. Disharmony would therefore not be productive and would therefore be "out of place".

As with any job, there are favourite tasks and some you would prefer to delegate. I like best dealing with our product and the customers. Administrative work, however, unfortunately, is a necessary evil and are difficult to delegate at this stage.

"Thank God, we are a low budget startup!"

So far, the biggest challenges were the foundation of the company and opening a bank account as a non-American citizen. The US should simplify immigration requirements and bureaucratic regulations urgently. But we have successfully mastered them. Of course, a positive was that software companies are generally associated with low cost and therefore can be described as low budget start-ups. Especially at the beginning, you can achieve a lot with little capital. So we had no financial obstacles in front of us and were able to start right away.

The "500 Startups Accelerator" has invested so far \$100,000 in Coinalytics. We are still in good spirits and open to talks with other investors or partners who are interested in the project.

Success is called optimism

You can expect of most people who have just founded a start-up that their project is connected with fears: "Is our budget enough? Can we find enough sponsors? How will our product do on the market? Can we keep up with our competitors?" These are a few of innumerable questions that people have expected me to have. But sleepless nights did not materialize. And not just with me. I am friends with a lot of entrepreneurs from around the world – and for most of them it was the same as for me. I think that's a good thing.

Having a positive attitude is important in order to succeed in business. If you can offer the market a good product, then you should stand behind it and believe in it. Then there is no room for uncertainty, fears and playing it safe. Clearly, one should not enter the market too naively, of course. I believe, however, if you have put the effort into your market analysis and has good opportunities – then go for it! I have and had no fear of failure. Therefore, so far I have not thought about giving up.

We are currently working on the beta version, which we will present in the next few weeks to our customers who have registered in advance. Coinalytics is like our baby, and we're working really hard to ensure that it grows big and strong.

What founders forego

In addition to my work, my hobbies are sports, travel – and I like meeting my friends. But for that I have no more time. I have left friends and family behind me for a while to realize this project. That's why I do everything I can to succeed, which is at the same time something of a restraint on my private life.

So my typical day looks like this: I get up at 7am make the first calls to the East Coast and Europe up to 8am. Then I walk to the office, where at 9am clock the starting signal is given. The work that has to be done: Skype calls made to the team, customers and partners contacted and business meetings held. Also the administrative tasks and other must be done. This all goes on to 8pm. Then I have my first time to relax to 10pm, during which I have dinner. Then it goes on until midnight, during which time I edit my e-mails or work on the improvement and expansion of strategies. The weekend has to be used for this. There's not so much time for me then.

I hope it all pays off in two years, and we will then see Coinalytics as one of the fastest growing start-ups in the Bitcoin market, with headquarters in Silicon Valley. My top three wishes for the company and the future are currently that Coinalytics remains profitable and we continue to have both 100 percent satisfied customers and happy employees.

Go, Start ups, go!

With regard to Europe, I would be delighted if the possibility of becoming an entrepreneur were to be presented early in the education process. This would be my wish regarding education, to encourage more start-ups.

My advice for each founder: manage your time well. Try to find a balance to your work life, for example through sport, and allocate fixed times. Otherwise, I can only give the tip to switch off sometimes, even if in my experience, however, only very few succeed in doing that.

4.13 WE WERE BRAVER THAN CLEVER – CARLOS SHIGEOKA

Author: Armin Peter

Carlos Shigeoka: My name is Carlos Shigeoka, and I have set out on the great adventure to found a start-up in Brazil. The impetus was given by friends who are also entrepreneurs. Once a week I go to the meeting of the "Entrepreneurs Azizi Group" in São Paulo. There I have the opportunity to discuss IT issues and business life with like-minded people and share experiences. My parents were also entrepreneurs, they have been running a bakery here in São Paulo for 30 years. However, I couldn't learn much from them little about business start-ups, because I had nothing to do with the bakery, and we never really talked about their experiences.

This is perhaps due to the fact that I am working in an entirely different industry. After graduation, I first worked as an IT manager. Also, the start-up, which I founded with three co-founders is in the technology industry – Rota Exata offers a tracking system for cars, which can be helpful predominantly when managing larger fleets. The system is indeed supplied by out company, but control lies fully in the hands of customers. Rota Exata operates throughout Brazil, wherever there is mobile network coverage. With our system, all key features of vehicle management, like recording the hours used, distance traveled and journey times can be recorded by satellite.

The special thing about it is that our company does not sell hardware, but offers customers innovative software solutions with valuable extras, like for example, remotely programming a digital odometer or an automatic lock. The customer can track every detail of its vehicles in real-time with Rota Exata – up to the accurate speed and frequency of stops. Notifications about the current status of the cars are sent via email or SMS.

Founding a company and serving society

It is relatively easy to set up a start-up in Brazil. Only we would like lower taxes, because in this country they are very high, especially for smaller companies like ours. But despite the rather low hurdles it was of course difficult for me, just like my three co-founders, to abandon a well paid job in 2011 and get involved with the uncertainty of a business start-up.

Prior to founding we had been discussing the idea for about three years. Brazil's infrastructure has not kept pace with the economic development of the country. Huge investments, especially in big cities like São Paulo, would be needed to

somewhat relieve the daily traffic chaos. In addition, there are still many vehicles being stolen or broken into. It motivated me to be able to provide a service to our society with Rota Exata. Prior to founding it we did market analyses about efficient transportation routes and the faster localization of vehicles. With our tracking software, the owners of vehicle fleets can calculate financial aspects better and have more security.

“And it still goes on...”

At the beginning we had \$100,000 start-up capital – half of which we won in a start-up competition of the Brazilian government, the rest was our own money. Later we brought an investor on board, who is also brought some "business intelligence" which was still missing, alongside venture capital. Rota Exata has now seven employees, approximately 200 customers use our system. We have set ourselves the goal to reach around 800 to 900 customers within the next one to two years and attract new partners.

To achieve these numbers, we are all working very hard. On an average day, I work about 15 to 16 hours for the company. Moreover, I have to work almost every weekend, but this is somewhat less often than when we were in the initial phase. Like any founder my colleagues and I frequently think about giving up. Actually, almost every day. But then we just carry on – after all we have a great founding team of four IT specialists. Although we all have the same educational background, we had to permanently develop over the years professionally to be able to keep pace with market developments. Our biggest obstacle is, however, still in the fact that no one from the management team has experience of administration.

The principle of “learning by doing”

Personally, I manage all the work mainly through the great support of my family. My wife keeps my back free so that despite all the work, I even find time about three times a week time for my hobbies – karate and social projects for children. For this I am very grateful to her, just like for the time with our child. My hobbies help me to leave the stress of work behind me and to find a balance.

When asked by other founders for advice, I always say that the principle is learning by doing. The simplest solution may not always be the best. But it is important never to lose sight of the goal. In the beginning we were more courageous than wise, but we never forget our approach and our objective during the 18-month start-up process.

4.14 EDUCATION AS THE KEY TO SUCCESS – ARTUR STEFFEN

Artur Steffen, founder of Retas Medical Assistance / Medlango GmbH

Author: Nadja Friedl

Artur Steffen was five years old when he had his first business idea. He was sitting in his parents' car, they were driving through the forest, and through the car window Artur discovered many wild berries along the way. He had an idea: "I suggested to my parents we should collect the berries and sell them at the bazaar so I could buy a car with the money." This idea was not completely feasible, but if he asks his parents today whether they remember more situations where he wanted to do business as a child, they have to laugh: "All the time." They say that Artur Steffen wanted to be like Tom Sawyer be – others should work for him and he would benefit from it.

Today the 27-year-old is the owner of the company Retas Medical Assistance – and runs a platform for medical translators who take care of foreign patients in German hospitals.

Shaped by the family

Artur Steffen was born in 1987 in Kazakhstan. When he was seven years old, his family moved to Germany. He spent his school years in Berlin; at 19, he moved abroad. "In Dubai, I worked for example quite successfully for a car rental company," he says. "But in the long run I wanted to help people, like my parents." Parents work as doctors, both have their own practice – this influence played a significant role in Steffen's career. "I've listened to so many medical discussions at the dinner table over the years. Later I worked in my father's practice and was allowed to watch operations. These experiences have helped me a lot, so I don't find it hard to deal with patients who are seeking medical advice."

The idea of developing a platform for medical translators came "out of necessity", as Artur Steffen says. His parents asked him for help in dealing with foreign patients. "At the time I was 20, and my parents had some foreign patients, who wanted to come to Germany for medical treatment. So translations had to be organized for them." It just took a few months for Artur Steffen to begin looking after several patients, and four years later he founded his own company in Moscow to enable Russian patients to visit doctors and hospitals in Germany. In his master's thesis he had dealt with medical tourism – his experiences from the study laid the foundation for his later business startup.

Education as the seed for a successful future

The young entrepreneur describes his move from a state to a private school as particularly crucial. For the first time he had instruction in business administration. "We had a great teacher in this subject, we saw her more as our mentor. She was the first woman in Alaska to work as an engineer in an oil-producing company." Through her stories the world of business was suddenly very close to the students. "She showed us how exciting her daily life was. In addition, through her I twice met the then US Ambassador and entrepreneur William Robert Timken, Jr, which was highly motivating for me as a 17 year old."

Also participating in a competition in which he had to convert an idea into a business plan was a step on the way to founding a company. "Then I saw how a concept on paper can be implemented into reality, and that certainly laid the foundation for my desire to become an entrepreneur myself."

This thought has been in his head since he was 16. "Back then, as a teenager I thought mainly about the financial benefits of self-employment," he says. "Today, I think more of other values which result from this: especially the freedoms and the opportunity to change the world a little bit."

The young entrepreneur sees education as the key to successfully founding a company. "Education is like a seed that you sow in order to be able to develop strong roots later. If the seed is planted too close to the surface, however, even the first storm will cause the plant to droop." Therefore Steffen strongly believes that more teaching in the fields of business and finance would have a huge benefit for society as a whole. "It's so important to study for yourself and to use the knowledge immediately – and to work on your leadership skills at school, university or a club," he says.

After leaving school Artur Steffen completed his bachelor in International Business in London, later followed by two semesters in the same subject in Dubai and a Master in Entrepreneurship at SRH Hochschule in Berlin. "During this time I have been able to meet many successful entrepreneurs who have quite different ways of thinking. So I was able to experience live, for example, Sir Richard Branson and Lord Alan Sugar. After each of these meetings I said to myself: one day you'll also reach this level."

This is what Artur Steffen has learned from his studies – that one thing is quite different in the real business world: networking. "This is definitely a catalyst for success, which is learnt next to the lecture hall rather than in it."

Valuable international experience

He left Berlin as a 19-year-old and began collecting international experience through his studies and first jobs. His path took him to Great Britain, Russia and Dubai. He spent five years abroad, getting to know the world of work in different areas – from the automotive industry through internet companies to sales. Artur Steffen still benefits today from that time: "It broke down barriers for me, that otherwise young people may often only run across once they reach a certain age."

Abroad, he had very different experiences. In Dubai, he had responsibility from the beginning, met the directors of several luxury hotels, created his own sales concepts for insurance companies and airlines. So he gained confidence in his ability to independently make decisions – and kept that confidence even after his return to Germany.

"I can still remember when the IT department of Germany's largest car rental rejected my proposal to establish a regional newsletter," he says, on the grounds that this could not work because of technical limitations, Steffen did not want to leave it at that and called summarily the Vice President of Marketing, whereupon his project got the green light from the executive suite.

A month later the monthly campaign launched with over 400,000 recipients, and Artur Steffen noticed how the international experience encouraged him to take responsibility more quickly. "Abroad, I realized how many additional factors play a role, whether it be another language, habits, purchasing behavior or mentality," he says. At the same time he also became more aware of his own culture. "I have often benefited from the German pragmatism and the gratitude of other nations towards the Germans, for example for the construction of infrastructure and hospitals in developing countries."

Business concept: be more than just a translator

Influenced by his parents' profession, equipped by studying International Business and Entrepreneurship and with international professional experience in his luggage, Artur Steffen dared to take the step to found his own business in 2011. "The preparation and development of the idea took about three months," he recalls. "I had to look after existing customers and at the same time respond to new requests... and of course consider what exactly the company should look like."

To found it, he took out a loan of €50,000, his Ukrainian co-founder contributed €10,000. Some things were difficult to organize in the planning stage and set him some challenges. "Try to find a technical manager if you do not come from the IT industry," he says. Here a chance encounter on the street ultimately helped him. New programmers from the Ukraine? When he overheard these words, Artur Steffen had his contact details already to hand – and a short time later had found his chief technical officer.

Then it was ready, at last he was able to answer his parents' questions about when his own company would finally be up and running with "Now!". He never thought about giving up during the building phase. "Just about postponing the start even more to begin with a larger stock of knowledge."

In 2011 came the date the company was founded. At that time aged 24, he opened a platform for translators who are specialized in the field of medicine. "Our goal is to facilitate communication between international patients and physicians," says the young entrepreneur. His company concept: patients make an inquiry on the Russian website in which they describe their needs. "Then we sit down with our client, clarify all the organizational issues and make inquiries at the leading doctors and hospitals."

Should the patient accept the offer of the German hospital, to care Artur Steffen's company supports the patient in organizing the trip to Germany, an employee picks him up from the airport. "Then we provide him with a translator at his side who accompanies him in all medical discussions." This personal contact with the interpreter is especially important for Artur Steffen's company concept. "In some cases, the translator accompanies the patient to the operating table. We not only take care of translation, but also take over some of the tasks of chaplains, nurses, messengers and personal advisors in all aspects of life."

Not always does everything run smoothly. So the cliché of the punctual German causes some difficulties among Russian patients. "Then I always have to explain before that a 10 o'clock appointment does not mean that you are seen immediately; if I don't, the patient may be very surprised by the waiting time in German

medical practices and hospitals." The young entrepreneur has had good experiences with the previous "warning": "Then the patient appreciates that the doctor takes enough time for him."

The interpreting does not always go smoothly at first. "A translation is always only as good as the recipient understands. There is a wide variety of situations, from difficult vocabulary to limited comprehension. But through the many hours that translator and patient spend together, the misunderstandings can then actually be removed." It can be more difficult with respect to attitudes. "It often happens that German doctors recommend a less expensive medicine for the patient, however, many patients make the association: the more expensive the better. At that point, tact is a necessity."

You can't do it alone

Support is important. Artur Steffen has received it particularly from his friends and parents. "Everyone has helped me in his own way. And before it opened, my parents asked me almost every week, "When is the company finally starting?" His circle of friends changed with the company was founded. "Suddenly, I got to know many other founders and co-founders, and soon we became friends, spent the weekends together and exchanged ideas."

The young entrepreneur also accepted support from the state. "I appreciate the conditions in Germany very much, for you can get advice at a fraction of the actual cost." Several times he participated in training for entrepreneurs or attended seminars on business planning. As a legal form he chose the limited liability company. "With a limited company the shares are clearly structured, which is particularly helpful for future investors."

In addition, Artur Steffen has a Ukrainian co-founder. "She managed a successful travel agency in Ukraine, so now she coordinates everything related to travel in our company now." His business partner started early in entrepreneurship: "By her early 20s she ran her first shoe store, later she opened her travel agency. She sold it when she came to Germany." Now Artur Steffen describes his relationship with his business partner in one word. Trust. "That's the key. And we agree on our core values and objectives." In the meantime, the young entrepreneur employs five staff. "I have found some through my contacts from my university time, but some also in Facebook groups or through referrals from friends." His relationship with the staff he describes as relaxed: "Work basically has to be fun."

A mentor who is a bit crazy

Artur Steffen today passes on his experience from courses and his own company at SRH University in Berlin, where he leads an "Entrepreneurship Mentoring" programme. From this there have come the first projects that have made it from the lecture theater into practice. Together with two students and an inventor Artur Steffen is currently developing vintage products combined with modern technology under the label "Hohner brand", where nostalgia and the latest technology come together. "The ideas of our inventor Dennis have thrilled me right from the first moment when he showed me a photo of his prototypes. He has converted a 100-year old tractor piston into a subwoofer speaker," says Artur Steffen. Meanwhile, the four parties have made a pact. "We all support each other and acquire

shares in the coming projects and companies." So all four reduce their risk, "and at the same time it is a long-term investment in mutual trust, because everyone has shares in the company of the other."

That this project came about is owed by Artur Steffen mainly one thing: chance. Perhaps together with a touch of craziness. For he met Dennis, the inventor of modern vintage equipment, one night in September 2014. "I was driving through the city, and the idea to stop by a group waiting at a bus stop came to me spontaneously at 2 o'clock in the morning," he says. Artur Steffen rolled down the passenger window of his black SUV and shouted, "I'm going Zoo, who is going in the same direction?" Of the group of around 20 people two got in his car. Arriving at Zoo, they talked for a while. "We came to the topic of entrepreneurship, and I told Dennis that I care very much about entrepreneurship. Then he showed me pictures of his prototypes ..." And so the story began.

Martial arts as balance

The best balance for entrepreneurship for Artur Steffen is sport. "I actually like all kinds of sports, but my favorite is martial arts." He was ten years old when he went to Taekwondo for the first time – and since then this sport hasn't let him go. In addition, he has tried and learned other Asian martial arts, such as Wing Tsun and Jiu Jitsu. But his first love remains Taekwondo, a martial art in which the opponent is attacked from a distance using one's feet. "Once we get closer, we use elements of close combat in our training," says the 27 year old as he describes his sport. Of course, now he has less free time than before, as often he must work even on weekends. And yet: "At least once a week I have to do Taekwondo, there is no other way." In the meantime, he is a trainer and leads Taekwondo classes for more than 20 students in Berlin. Here Taekwondo is taught not only as an artistic or competitive sport, but also as self-defense.

Wishes for the future: more languages and motivated staff

If the young entrepreneur had three wishes, he would not have to think twice. "First, I want the smartest people in my company. Secondly, I want to offer them a fantastic workplace. And third, I want to make medical tourism a valuable experience for everyone involved."

His plan for the next two years is to provide translators in all major hospitals to ensure that foreign patients can communicate easily. Currently, the translators of his company speak only German and Russian, but translation services in other languages are planned. "We want to offer our services in Arabic, English and French", Artur Steffen says. Since February 2015 this has been offered in his firm Medlango. Having a concrete idea of where he sees his company in two years helps him a lot. "So now I can be more structured in my decisions than when we started." Now is it the staff who are the priority. "Because no matter how good an idea may be, if the team is too inexperienced or not prepared to develop new attributes in a short time, this can have fatal consequences," he is convinced.

Artur Steffen wants to maintain one characteristic: listen to your instincts. If he could give each company founder a thought along the way, it would be this: "Follow your heart, it keeps you warm even in turbulent times."

5. FINAL REMARKS

Germany as the entrepreneur capital of the world is the host of more than 40% of all start-ups so far. But why is it Germany? The prejudices about German people say that they are very serious, but good in business. Many worldwide famous brands grew up here and expanded into the whole world, Germany's trade balance is positive, the export rate is one of the highest in the world- A perfect breeding ground for young entrepreneurs. Changes in society and economy like the demographic change and the finance crisis are changing the base, but also give new opportunities for new products and even new markets.

The essay intimates facts for founding businesses as many people did. Their surroundings, behaviours and circumstances were described and visualized. The perfect summary about all these facts gave the stories of the entrepreneurs. Students and entrepreneurs themselves were asked to fulfil questions to get an overall view about founding a business. As you see, it is a hard way and you must give all your passion and know-how you can get, to succeed. The base are friends and family which give strength, will and ideas. Some get inspired very early in high school years, but the majority worked in businesses before and got the idea of starting an own business out of there. Even though men are more active in founding start-ups than women are, the success of the company is no matter of gender. The studies show that there are many reasons that motivate the entrepreneur to start a business. Number one reasons are being his own boss and fulfil his own dreams. An interesting fact is that most entrepreneurs finance themselves, even though there are governmental finance programs. The questions for the students in chapter three among others show that there are many students that have a clue about these programs. The fact that start-ups make a huge impact for the economy of a country and the big media import as well as the known success of Facebook, Uber, AirBnB etc. are an antidote for the risks you take by founding a company. Overall there are differences between the branches of industry, in some it is easier to succeed than in others. Many start-ups are not unique enough to survive in the market that is why only one out of ten start-ups is getting really big. Sometimes all you need is luck. Only 30 years ago, computers were rare and expensive. There were no smartphones and the including apps. Today it is always present and not to imagine living without. New times give new opportunities.

6. ADDENDUM

6.1 COVERING LETTERS

Here is the original covering letter for schools (the cover letter for universities has the same content and look, only the address is different)

Liebe Lehrerinnen und Lehrer, sehr geehrte Damen und Herren!

Liebe Schülerinnen und Schüler!

In Deutschland starten jährlich viele junge Menschen ein eigenes Unternehmen. Etwa 95% dieser Unternehmen gibt es nach ein paar Jahren nicht mehr. Die Gründe sind vielfältig. Eines aber fällt auf.

Viele dieser jungen Menschen

1. verzagen bei ersten Schwierigkeiten ,
2. haben nicht den Blick für das Ganze, verlieren sich in Details,
3. scheuen Risiko und Unsicherheiten, ziehen nach einer schlechten Erfahrung eine unbefriedigende, aber scheinbar sichere Variante vor,
4. Kennen sich mit Grundberechnungen nicht aus, die nötig sind, um das eigene Geschäft kalkulieren zu können,
5. haben kein ausgeprägtes Gespür für die Persönlichkeit, Stärken und Schwächen von sich und ihrem Gegenüber, stellen oft Teams zusammen, die nicht harmonieren oder besetzen Bereiche mit Personen, die besser auf andere Bereiche passen

Wir möchten mit dieser Umfrage unter Schülerinnen und Schülern herausfinden,

1. ob Schülerinnen und Schüler sich vorstellen können, Unternehmer zu sein,
2. Wie stark Schülerinnen und Schüler motiviert sind, Zeit und Geld in die Gründung eines Unternehmens zu investieren,
3. Wie Schülerinnen und Schüler sich selbst einschätzen, ihre Risikobereitschaft und ihre Stärken und
4. Was Schülerinnen und Schüler meinen, was ihnen helfen könnte, sich mehr für die Gründung eines Unternehmens zu interessieren und dazu fähig zu fühlen.

Diese Umfrage richtet sich an Schülerinnen und Schüler der Oberstufe an Gymnasien, Oberstufenzentren und Ausbildungszentren in Deutschland.

Sie richtet sich an alle Schülerinnen und Schüler, die sich schon mehr oder weniger damit auseinandersetzen, wo und wie sie später arbeiten wollen.

Auch richtet sie sich an alle Schülerinnen und Schüler, die ihre Träume verwirklichen wollen, die Ideen haben und noch nicht genau wissen, wie sie diese realisieren können.

Gern teilen wir Ihnen nach Abschluss der Umfrage die Ergebnisse mit. Wenn Sie möchten, stellen wir Ihnen diese auch nach Möglichkeit und Absprache persönlich vor.

Mit dieser Umfrage der Konrad-Adenauer-Stiftung und des Institutes für Nachhaltigkeit an der SRH Hochschule Berlin leisten Sie einen wichtigen Beitrag für unsere Bildungspolitik, denn wir möchten

- mehr junge Menschen motivieren, zu gründen,
- mehr junge Menschen befähigen, zu gründen und
- mehr jungen Menschen die Erfahrung ermöglichen, dass nach einer Gründung ihre Wünsche und Ziele für ihr Unternehmen Realität werden.

Herzlichen Dank!

Mit freundlichen Grüßen

Ihre Konrad-Adenauer-Stiftung und SRH Hochschule Berlin, International Institute for Sustainability Management IISM

Dear Teachers, Dear Sir or Madam

Dear Students

In Germany every year many young people start their own businesses. Approximately 95% of these companies no longer exist after a few years. The reasons are many. One thing stands out. Many of these young people are

1. lose heart in face of the first difficulties,
2. do not have an eye on the whole but get lost in details,
3. avoid risk and uncertainties and prefer to take the apparently safe, but on the whole unsatisfactory option after a bad experience,
4. do not know how to do the basic calculations of which are necessary in order to manage the business,
5. have no strong sense of their own personality, strengths and weaknesses or of their stakeholders, build teams that do not harmonize or put people into the wrong areas of activity.

With this survey of students we want to find out:

1. whether students can imagine becoming an entrepreneur,
2. how motivated students are to invest time and money in starting a business,
3. how students assess their own risk tolerance and their strengths, and
4. who students think what might help them to get interested in founding their own company and feel able to do so.

The survey is aimed at students and high school students at high schools sixth form colleges and training centres in Germany. It is aimed at all students who are already thinking about where and how they want to work later.

It is addressed to students who want to make their dreams a reality, who have ideas yet do not know how to make them come true.

We are happy to share the results of the survey with you and can offer the possibility of an individual meeting.

By taking part in this survey of the Konrad-Adenauer-Foundation and the International Institute for Sustainability Management at SRH Hochschule Berlin you are making an important contribution to our education policy, because we want

- to motivate more young people to set up their own company
- to enable more young people to set up an own company
- and to give more young people to experience the fact that after setting up their own company and working on its development their desires and goals for their own enterprise can come true

Many thanks!

Yours Sincerely

Konrad-Adenauer-Foundation and SRH Hochschule Berlin, International Institute for Sustainability Management IISM

6.2 QUESTIONNAIRE

Here is the original questionnaire for schools (the questionnaire for universities has the same content and look, only the address is different)

Umfrage Schulen KAS Start-ups

Alter:

Geschlecht:

Schulart:

Eltern: Selbständig oder freiberuflich / Unternehmer / Angestellt

1. Gehst du gern Risiken ein?

Nicht risikobereit **Eher nicht risikobereit** **Eher risikobereit** **Risikobereit**

2. Welche Wörter beschreiben dich (max. 4)

Mutig; Vorsichtig; Vertrauensvoll; Zuverlässig; Bequem; Ängstlich; Sicherheitsorientiert; Spontan; Eigenwillig; Kreativ; Neugierig; Positiv; Hartnäckig; Abwartend; Konzentriert; Zurückhaltend; Kommunikativ; Fröhlich; Leidenschaftlich; „Eigene Angabe“

3. Vor welchen der nachfolgenden Ereignisse hast du Angst?

Arbeitslosigkeit	Verlust von Familienmitgliedern
Wenig Geld	Ansehen der Freunde verlieren
Finanzielle Einbußen	Zeit selbst einteilen
Schwere Krankheit	Komplett für sich selbst sorgen
Verantwortung übernehmen	Schlechte Bewertungen

4. Kannst du dir vorstellen, einen Chef über dir zu haben?

Sehr gut

Eher gut

Eher schlecht

Sehr schlecht

5. Was ist ein "Start-up"?

Ein neuer Mitarbeiter

Eine neue Idee

Ein gerade gegründetes Unternehmen

Ein innovatives Produkt

6. Was würde dich motivieren, ein Unternehmen zu gründen?
(mehrere Antworten möglich)

- | | |
|--|--|
| <input type="checkbox"/> Mehr Geld | <input type="checkbox"/> Mehr Spaß bei der Arbeit |
| <input type="checkbox"/> Mehr Freiheit | <input type="checkbox"/> Mehr Freizeit |
| <input type="checkbox"/> Selbstverwirklichung | <input type="checkbox"/> Übernahme von Verantwortung |
| <input type="checkbox"/> Mehr Zeit für Freunde/Familie | <input type="checkbox"/> Umsetzung von eigenen Ideen |
| <input type="checkbox"/> Sonstiges (bitte angeben) | <input type="checkbox"/> Gar nichts |

7. Was würde dich davon abhalten ein Unternehmen zu gründen? (Mehrere Antworten möglich)

- | | |
|--|---|
| <input type="checkbox"/> Finanzielle Risiken | <input type="checkbox"/> Angst zu scheitern |
| <input type="checkbox"/> Fehlendes Selbstvertrauen | <input type="checkbox"/> Mangelndes Wissen |
| <input type="checkbox"/> Hoher Arbeitsaufwand | <input type="checkbox"/> Keine Erfahrung |
| <input type="checkbox"/> Berufliche Unsicherheit | <input type="checkbox"/> Keine Unterstützung von Freunden/Familie |
| <input type="checkbox"/> Fehlendes Geld | |
| <input type="checkbox"/> Sonstiges (bitte angeben) | |

8. Wusstest du, dass die Regierungen Deutschland und Europa Fördermittel zur Verfügung stellen, mit denen du als Unternehmer Zuschüsse bekommen kannst?

Ja
Nein

9. Wusstest du, dass es für Menschen, die ein Unternehmen gründen wollen, Banken gibt, die besonders günstige Kredite und Zuschüsse, sowie Beratung zur Verfügung stellen?

Ja
Nein

10. Wusstest du, dass es in jeder Stadt Beratungsstellen gibt, die dich bei der Gründung eines Unternehmens unterstützen?

Ja
Nein

11. Was für eine Unterstützung, welche Informationen, Themen oder Kurse wünschst du dir, um dich besser informiert und sicherer zu fühlen, um dir eine Unternehmensgründung zuzutrauen?

Survey Schools KAS Start-ups

Age:

Gender:

School type:

Parents: own business or freelancer / employer / employee

1. Do you like to take risks?

No appetite for risk **Less appetite for risk** **More appetite for risk** **Appetite for risk**

2. Which words describe you (max. 4)?

Brave; Careful; Trustful; Responsible; Comfortable; Anxious; Safety-oriented; Spontaneous; Wilful; Creative; Curious; Positive; Persistently; Waiting; Concentrated; Reserved; Communicative; Joyous; Passionate; „Other (please specify)“

3. Of which of the following situations are you fearful?

Unemployment

Assuming responsibility

Lack of money

Managing own time

Death of family member

Being completely responsible for taking care

Lose the respect of friends

Financial loss

Negative evaluation

Serious illness

4. Can you imagine having a boss?

Very well

Quite well

Quite badly

Badly

5. What is a "Start-Up"?

A new colleague

A new idea

A newly founded company

An innovative product

6. What would motivate you to found a company? (Several answers possible)

More money

More fun at work

More freedom

More free time

Self-realization

Assuming responsibility

More time for friends/family

Realisation of own ideas

Other (please fill out)

Nothing

7. What would prevent you founding a company? (Several answers possible)

Financial risk

Fear of failure

Lacking self-confidence

Lacking knowledge

High workload

No experience

Job-related uncertainty

No support from friends or family

Lack of money

Other (please fill out)

8. Were you aware that all governments in Europe offer subsidies that you can

receive as an employer?

Yes

No

9. Were you aware that there are bank programmes, special credits and subsidies for people who want to found a company?

Yes

No

10. Were you aware that in each city there are information centres which support you during the process of founding a company?

Yes

No

11. Which types of support, which information on which topics or what courses would you like to have in order to feel better-informed and more secure to take the risk of founding of a company?

6.3 VISUALIZED ANSWERS

This chapter is just about the raw data out of the questionnaire, its delivers all information from the essay. The students and entrepreneurs took part in the investigation for this study in October 2014. The visualized answers to the questions and even more charts and tables are following,

6.3.1 Analytics of Chapter two

Those graphics are the analysis of the questions for the entrepreneurs out of chapter two. The questions were evaluated and summarized in the chapter.

Figure 20: Gender of respondents

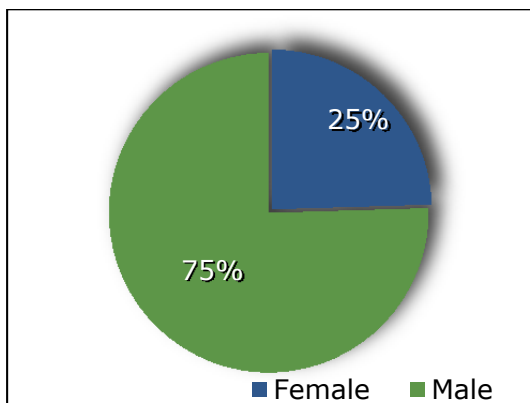


Figure 21: Educational background of respondents

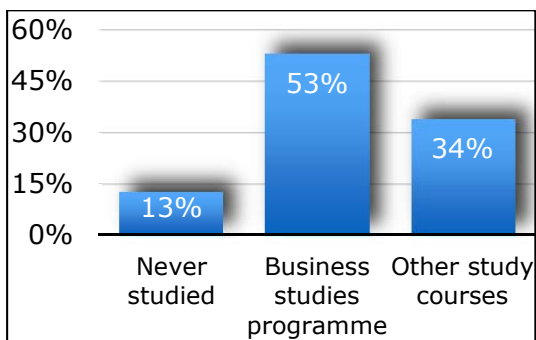


Figure 22: Work experience of respondents

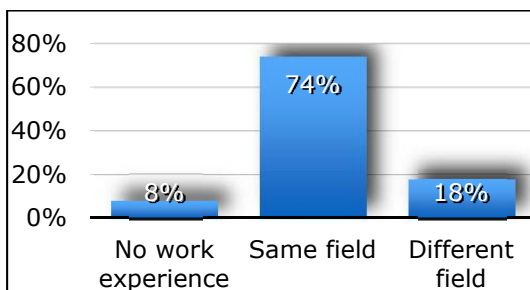


Figure 23: Origin of respondents

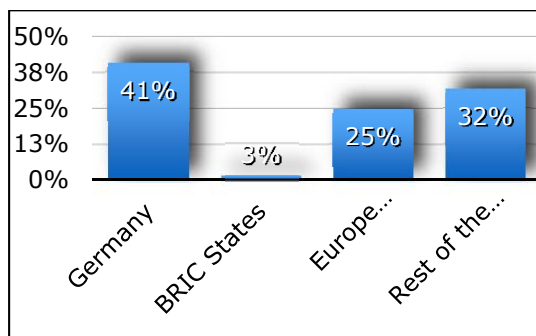


Figure 24: Hobbies of respondents

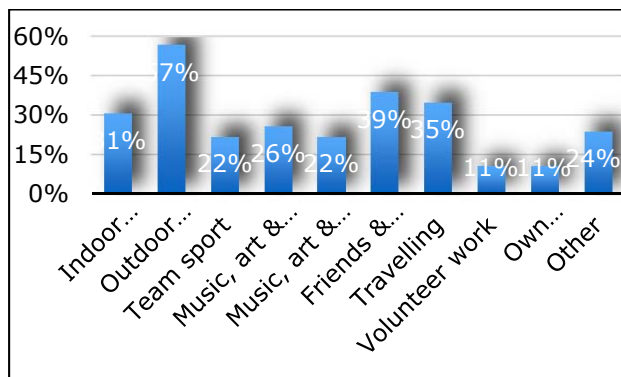


Figure 25: Work-Life Balance of respondents

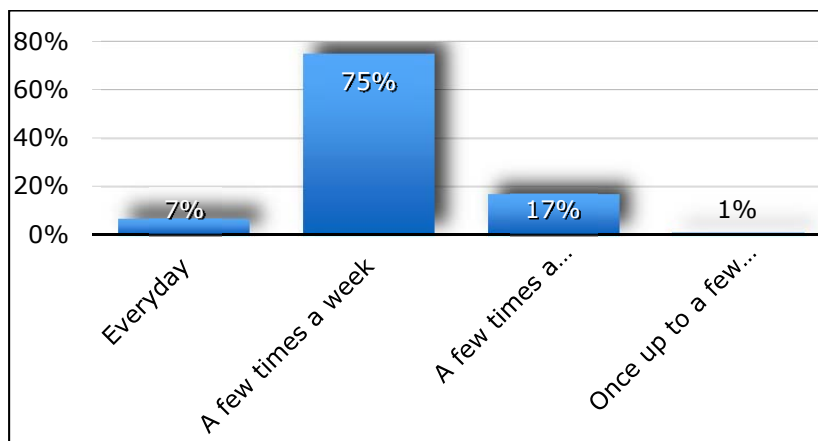


Figure 26: Parents' employment status of respondents

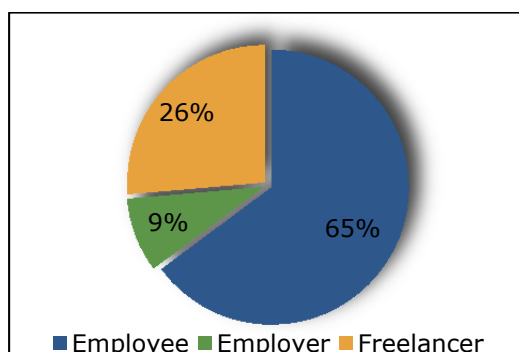


Figure 27: Parents sharing work experience

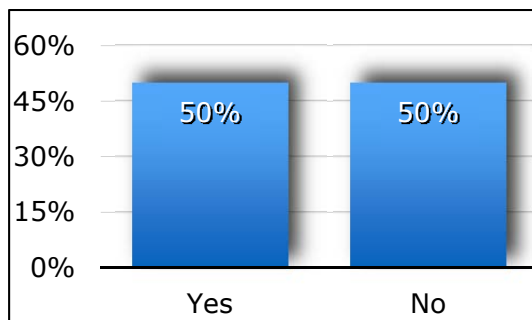


Figure 28: Entrepreneurs as friends

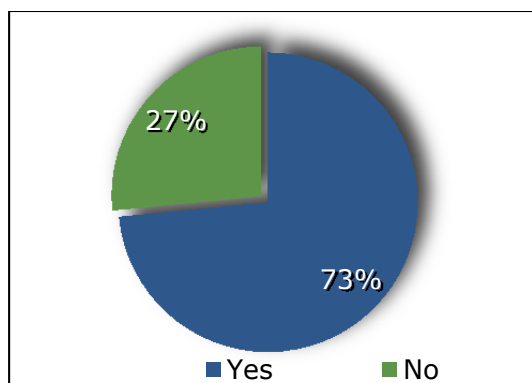


Figure 29: Influence of childhood experiences of respondents

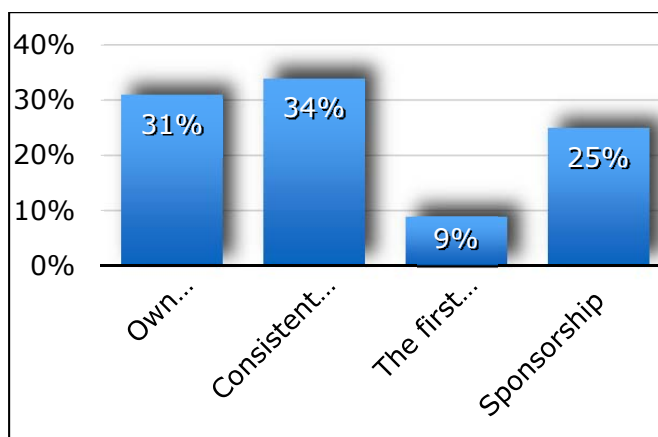


Figure 30: The timing of the decision to become an entrepreneur

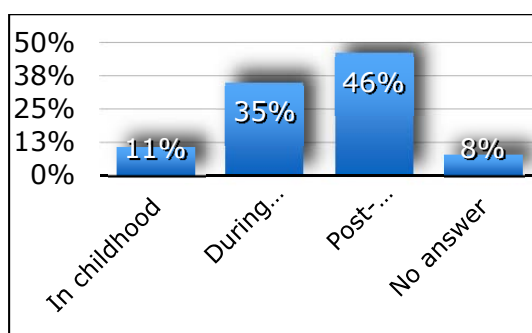


Figure 31: Motivation to found a company

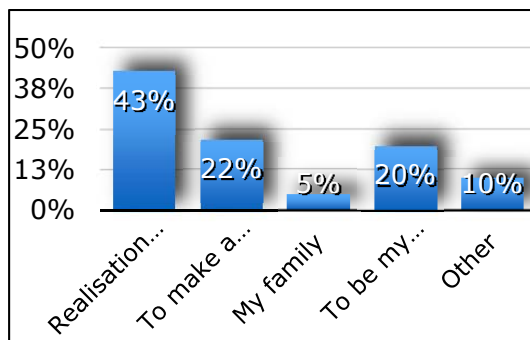


Figure 32: Influential people when deciding to become an entrepreneur

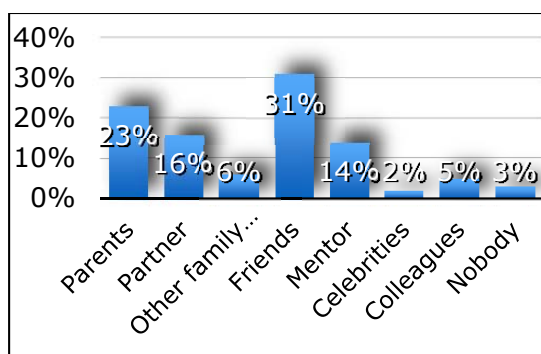


Figure 33: Carrying out market research for the own start-up

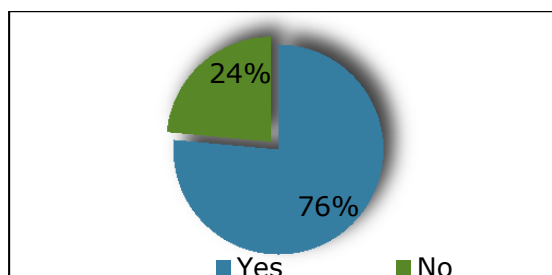


Figure 34:

Reaction of others about the ambition of the founder to start a company

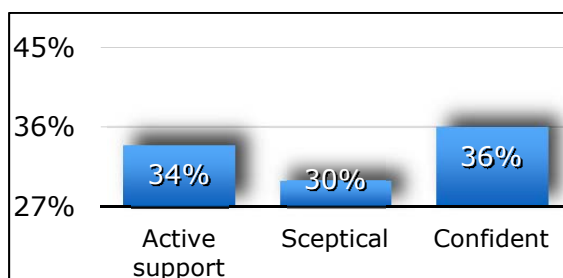


Figure 35: Financing the start-up of respondents

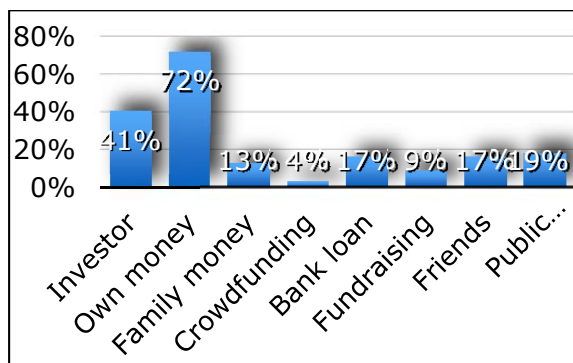


Figure 36: Kinds of obstacles of respondents

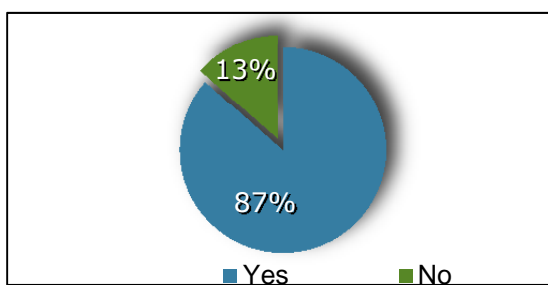


Figure 367: Thinking about giving up

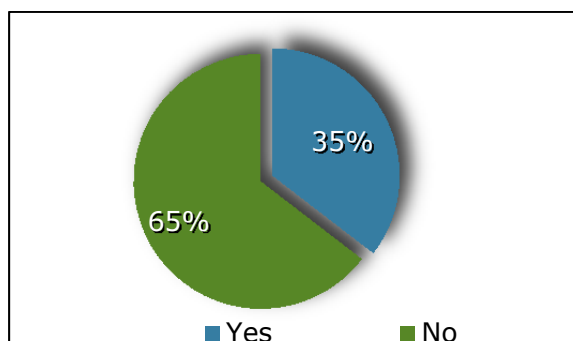


Figure 378: Location of respondents' start-ups

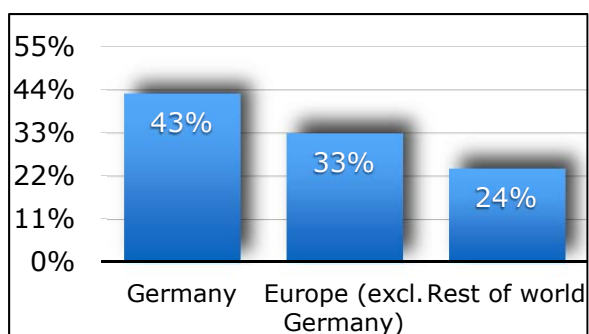


Figure 39: Industry of respondents' start-ups

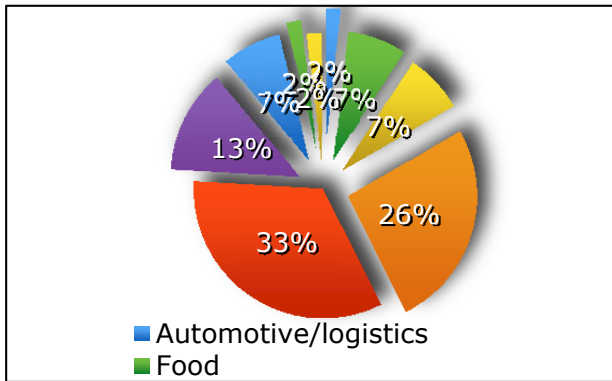


Figure 40: Starting alone or with partners

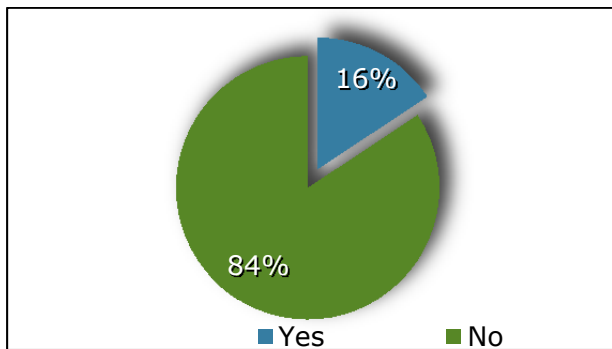


Figure 38: Background of the management team of respondents

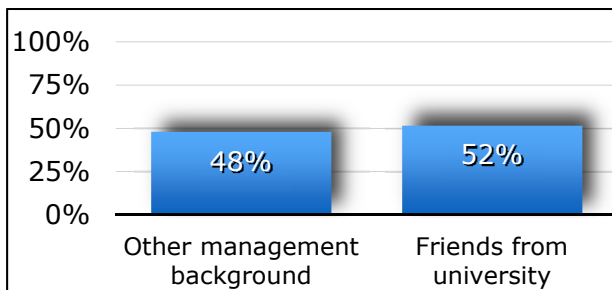


Figure 39: Use of government support of respondents

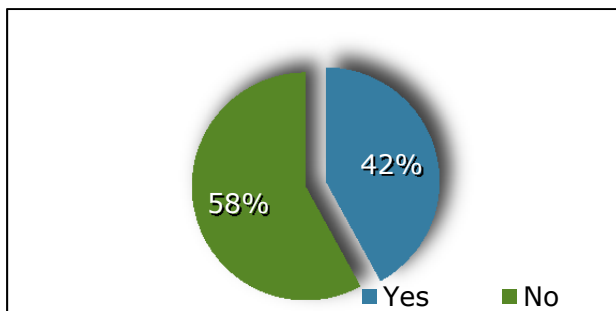


Figure 40: Number of employees of respondents' start-ups

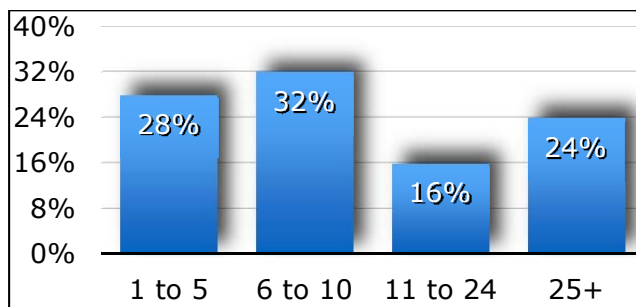
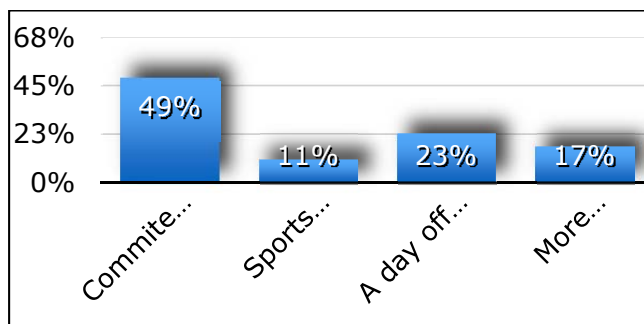


Figure 41: Personal life and workday of respondents



6.3.2 Analytics of Chapter three

Figure 42: Gender of the participants

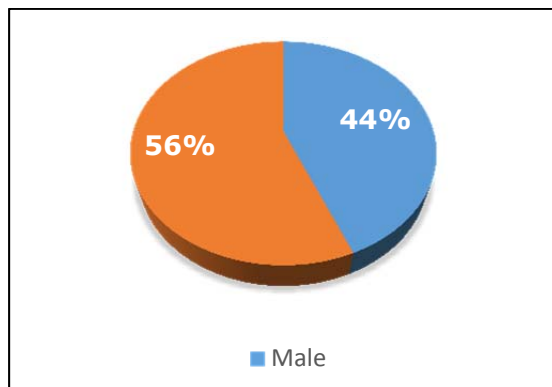


Figure 43: Employment Status Parents

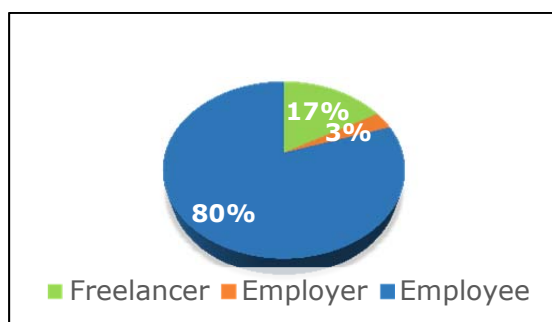


Figure 44: Opinions about position and power of companies and employer

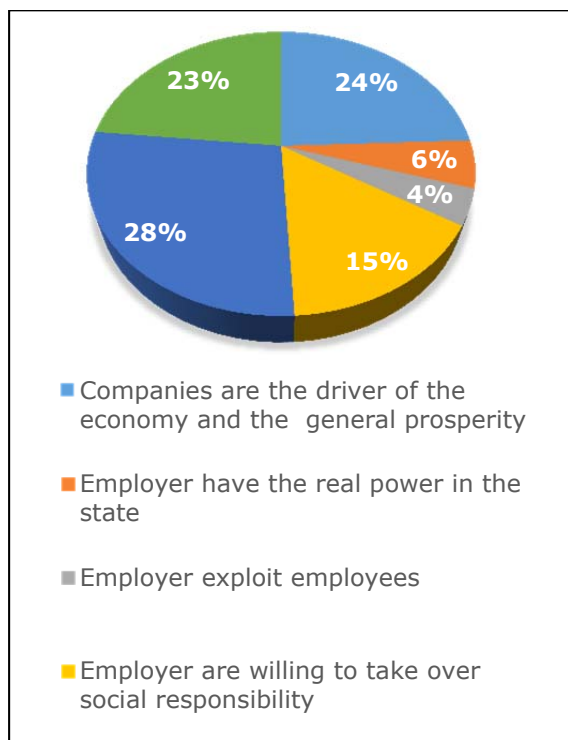


Figure 45: Knowing an employer in person

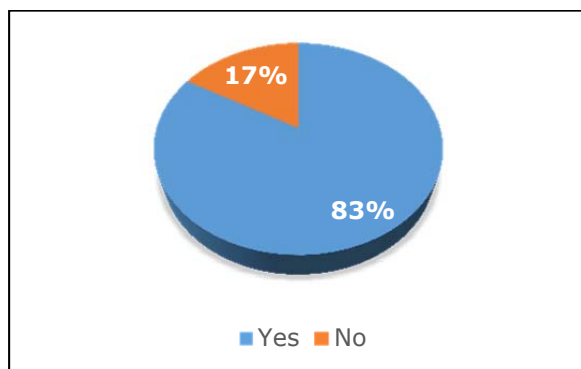


Figure 46: Contact at school to a company or employer

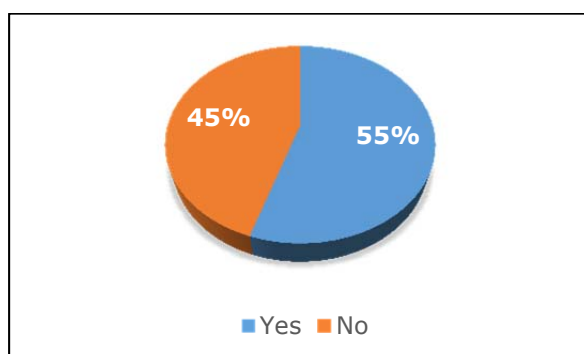


Figure 50: Entrepreneurship as a topic at school

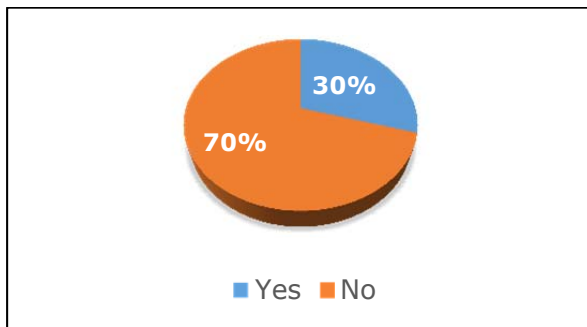


Figure 47: Knowledge about entrepreneurship consulting offices

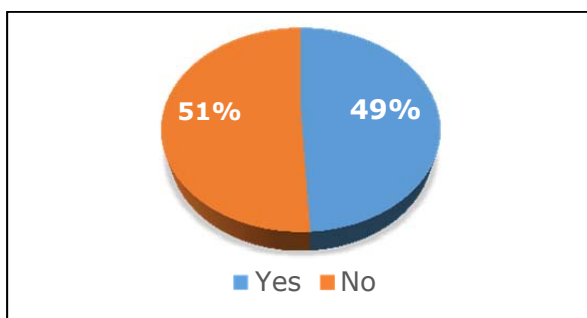


Figure 48: Knowledge about bank funding support programs

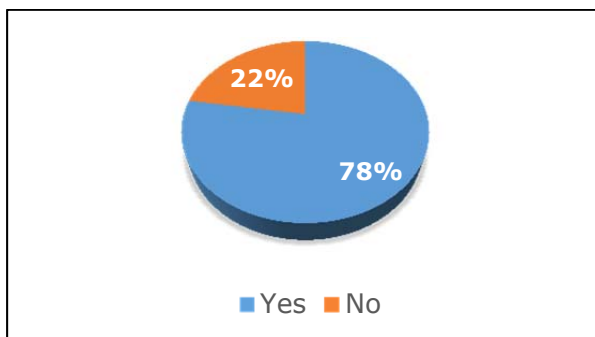


Figure 49: Knowledge about government-funded subsidies

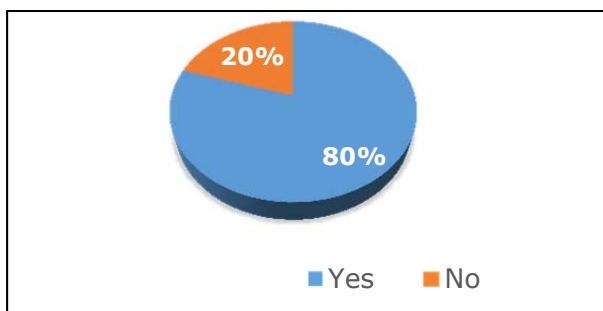


Figure 50: Reason for keeping away from founding a company

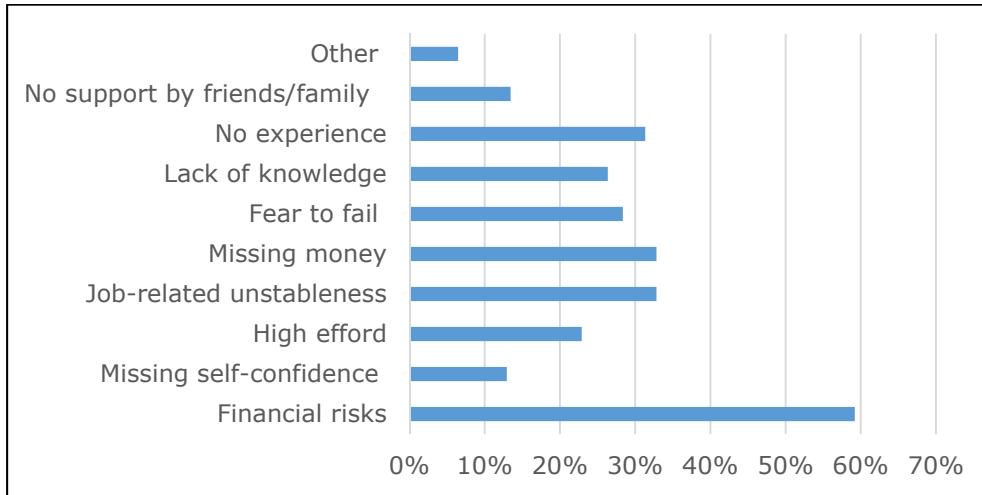


Figure 51: Founding motivation

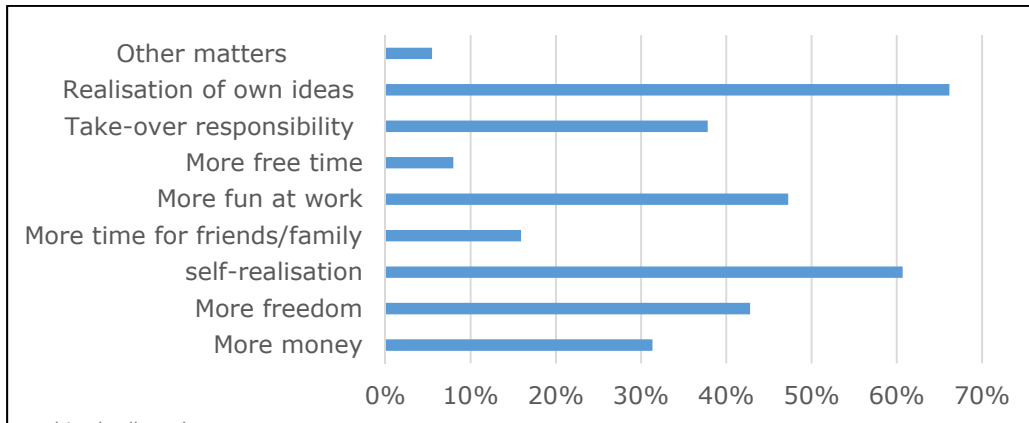


Figure 52: Definition of start-up

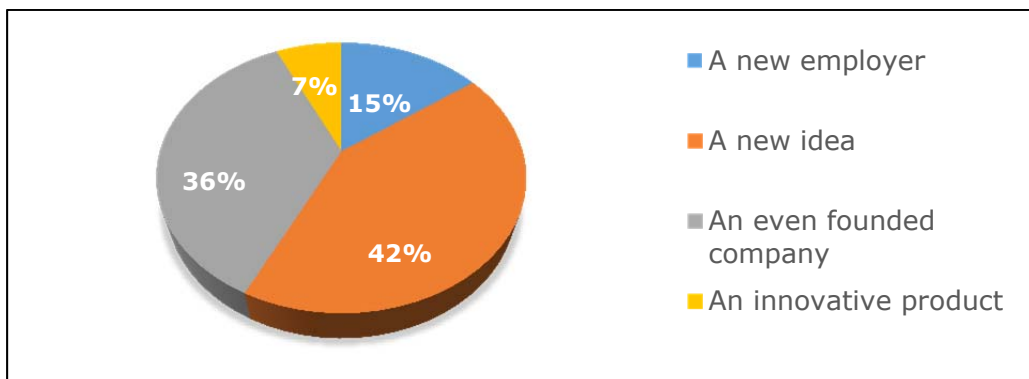


Figure 53: Ability to imagine having a supervisor

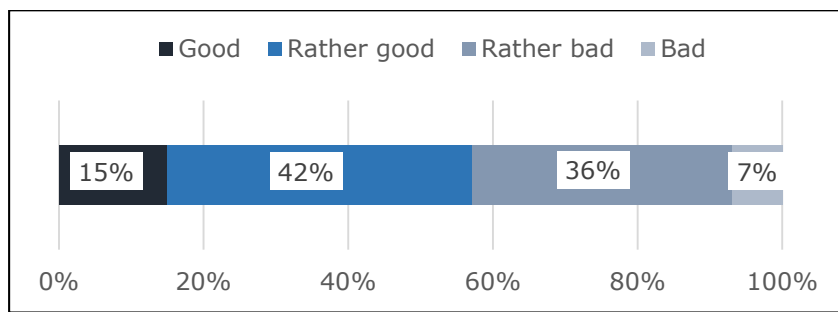


Figure 54: Being frightened of something

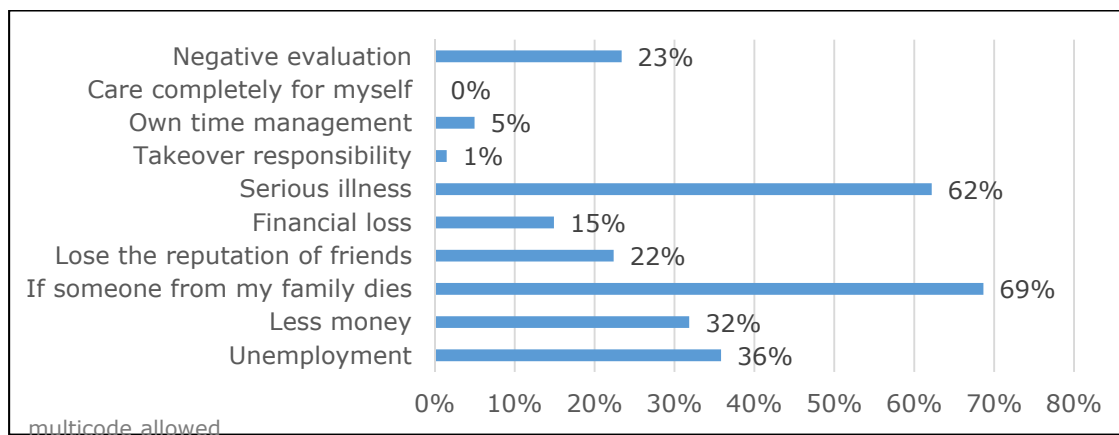


Figure 59: Self-evaluation

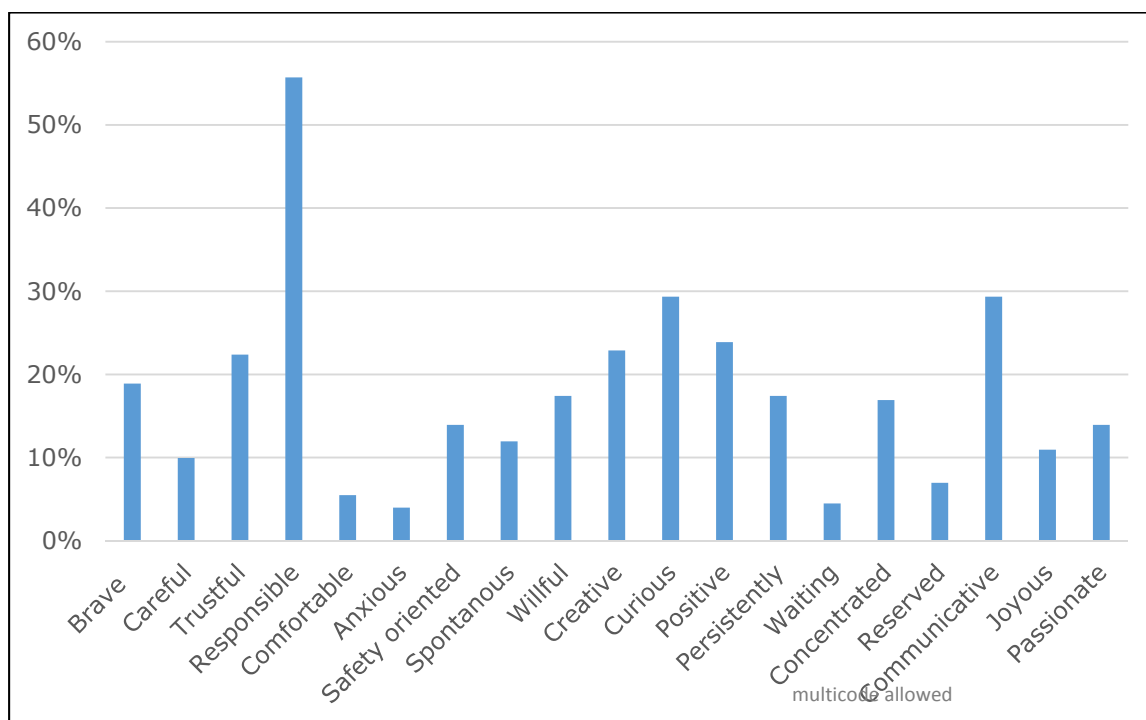
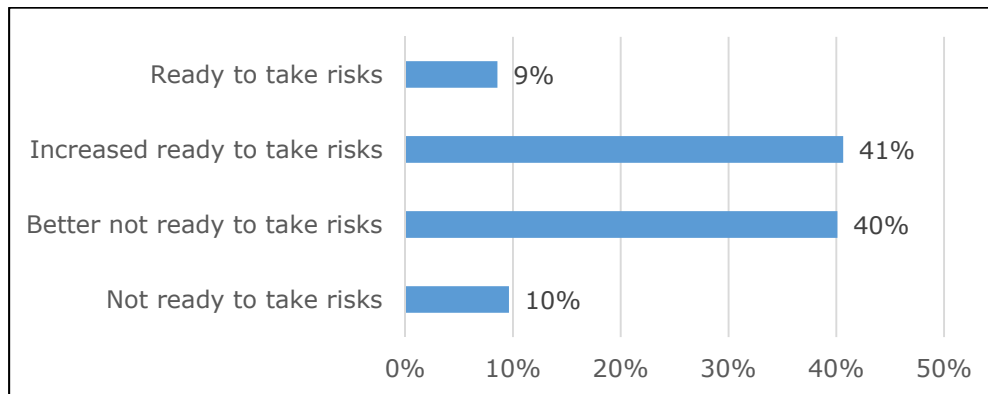


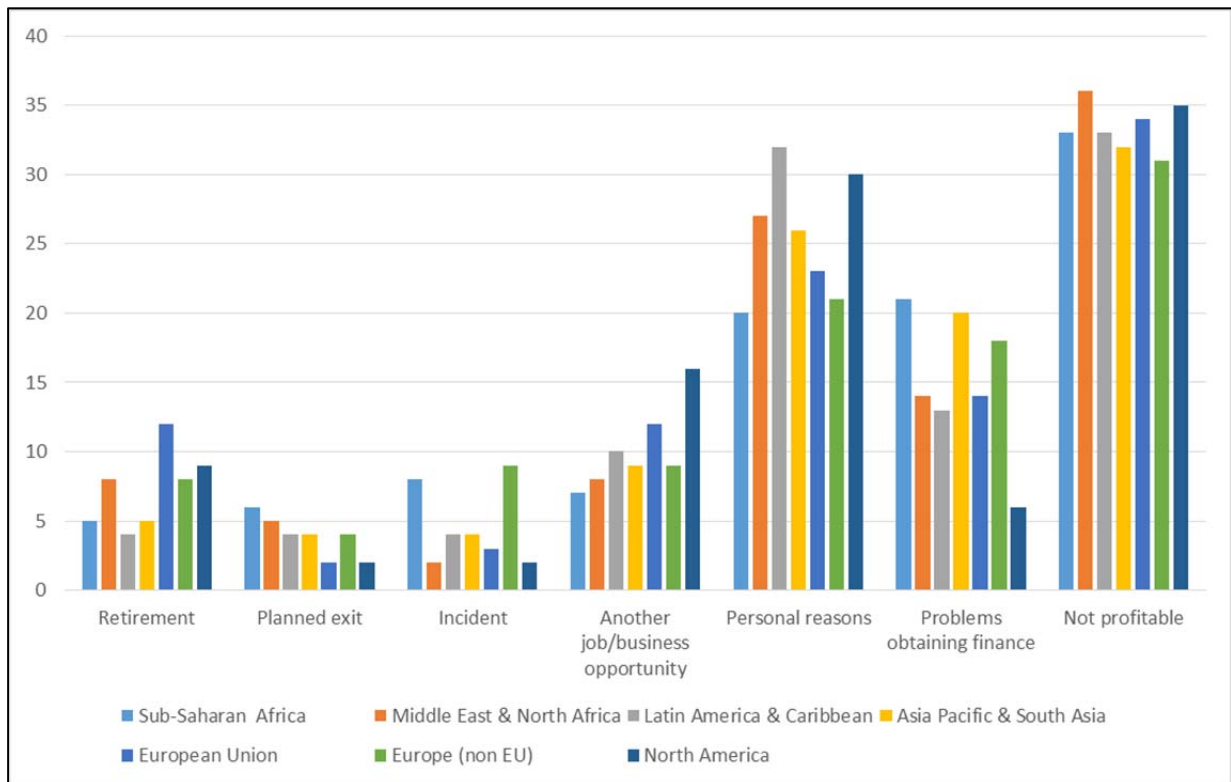
Figure 60: Readiness to assume a risk

Table 3: Discontinuation of business 2013³⁶

Region	Discontinuation
Latin America & Caribbean	4.9
Middle East & North Africa	5.5
Sub-Saharan Africa	16.6
Asia-Pacific and South Asia	3.7
European Union	2.9
Europe (non-EU)	3.0
North America	3.3
Global average	5.7

³⁶ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

Figure 55: Reasons for giving up business 2013³⁷



³⁷ Data taken from <http://www.gemconsortium.org/Data>. Accessed 20 January 2015.

6.4 LITERATURE

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