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**Report Released on Multi-Billion-Dollar Small Business Sector**

*The Aspen Network of Development Entrepreneurs reports on the expanding small and growing business sector in emerging markets and shares its vision for the future*

WASHINGTON—June 27, 2014—The Aspen Network of Development Entrepreneurs (ANDE) released its fifth annual Impact Report today.

**To mark the occasion, Randall Kempner, executive director of ANDE, and Laurie Spengler, President & CEO of Enclude, will conduct a live online conversation moderated by Carlos Pierre of Kiva at 1:00 p.m. ET today on +SocialGood, a global engagement platform.**

The “**State of the SGB Sector**” report is the official pulse on global small and growing businesses (SGBs). It offers lessons learned helping to build a billion-dollar small business sector over the past five years as well as ANDE's vision for the future. The report also shares stories of members that are paving the way for economic growth and stability in emerging markets.

The movement which ANDE started in 2009 to support the small and growing business sector—the “missing middle”—is making headway. More than 50 percent of ANDE members are based outside the United States, and this past year there was a surge in corporate membership. ANDE started with 34 founding organizations and now boasts over 200 members operating in more than 150 countries along with seven active regional chapters in Brazil, Central American & Mexico, East Africa, India, South Africa, West Africa, and East & Southeast Asia.

ANDE members now manage over one-third of the \$5 billion investment dollars committed to the SGB sector in developing countries. In 2013, 64 members provided more than \$147 million in capacity development services—or business development services—directly to 46,000 SGBs; 16 members invested over \$194 million in 377 deals with SGBs; and 28 foundation and other grant-making members invested nearly \$187 million in the sector.

Since 2009 the sector has raised \$3 billion in committed capital. This past year, 22 SGB investment vehicles were launched and the median target fund size was \$66.5 million dollars, up 33 percent from 2012. Although fewer investment vehicles were launched between 2011 and 2013, the target fund size of those investment vehicles was higher.

And, 48 percent focused on seed and start-up stage investments, an increase of 36 percent over vehicles launched from 2005 to 2007.

Over the past five years, ANDE has helped identify inefficiencies in the marketplace—such as hurdles for start-ups, female entrepreneurs and market linkages—and strategized how best to fill these gaps. “There was no roadmap when we started, yet we’ve created a network focused on collaborative conversations about the most effective ways to support small and growing businesses. And, we look forward to being a major catalyst for development impact in emerging markets within the next five years,” said Randall Kempner, executive director of ANDE.

The report shares three recommendations for the future of the sector:

**(1) Focus on local entrepreneurial ecosystems.**

ANDE believes that local ecosystems should be the focus of entrepreneurial development efforts. Beyond individual investment or support to businesses, there should be a more systemic approach focused on specific sectors within subnational regions. In order for SGBs to thrive, they need to rely on leveraging metropolitan partners, such as banks, local educational institutions, entrepreneurial support organizations and government. As entrepreneurs are successful and become investors themselves, they will help to create thriving marketplaces and an overall improved local economy.

**(2) Cultivate middle management talent.**

Hiring and retaining top talent is a challenge for any business, but especially in emerging markets where businesses often cannot afford the talent they need to grow. The sector should invest in education and training initiatives to develop middle managers who will create a steady workforce, and as a result strong, sustainable businesses.

**(3) Embrace a Gender Lens.**

Female entrepreneurs face cultural and structural barriers that male entrepreneurs do not. According to the report, early stage ventures with women on their founding teams are less likely to have attracted equity investment but more likely to be profitable than ventures without women founders. Having a gender lens—considering how female entrepreneurs are supported by and participate in companies—will create social impact and increase investors’ bottom line.

To download the 2013 State of the SGB Sector Report and Executive Summary, please visit: <http://www.aspeninstitute.org/StateoftheSector2013>.

The **Aspen Network of Development Entrepreneurs (ANDE)** is a global network of organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs will create jobs, stimulate long-term economic growth, and produce environmental and social benefits. Ultimately, ANDE believes that SGBs can help lift countries out of poverty. ANDE is part of the Aspen Institute, an educational and policy studies organization. For more information please visit [www.aspeninstitute.org/ande](http://www.aspeninstitute.org/ande).

**The Aspen Institute** is an educational and policy studies organization based in Washington, DC. Its mission is to foster leadership based on enduring values and to provide a nonpartisan venue for dealing with critical issues. The Institute is based in Washington, DC; Aspen, Colorado; and on the Wye River on Maryland’s Eastern Shore. It

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also has offices in New York City and an international network of partners. For more information, visit [www.aspeninstitute.org](http://www.aspeninstitute.org).

Inspired by the Social Good Summit, **+SocialGood** unites a global community of innovators around a shared vision: Leveraging the power of technology and new media to make the world a better place. +SocialGood is a place where connectors can collaborate, share best practices, influence local and global agendas, and find new ways to translate vision into action. [Become a member today!](#)

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