MEASURING THE IMPACT OF ENTREPRENEURSHIP PROGRAMMES

ENDEAVOR BRAZIL
Endeavor transforms emerging countries by establishing **HIGH-IMPACT ENTREPRENEURSHIP** as the leading force for sustainable economic development.

**OUR RESULTS**

- **20,000+ Entrepreneurs Screened**
- **581 Endeavor Entrepreneurs Leading**
- **372 Companies**
- **$3.5Bn+ Revenue in 2009 (2/3 growth post selection)**
- **64% Average revenue in the first two years after selection**
- **135,000+ jobs created**
<table>
<thead>
<tr>
<th>Financial Capital</th>
<th>Human Capital</th>
<th>Social Capital</th>
<th>Intellectual Capital</th>
<th>Cultural Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.5Bn revenues generated by Endeavor Entrepreneurs in 2009 (2/3 growth resulted post selection).</td>
<td>130,000+ high-quality jobs created by Endeavor Entrepreneurs (3/4 created from growth post selection).</td>
<td>15,780+ hours of mentoring provided by Endeavor VentureCorps mentors in 2009.</td>
<td>123 university cases or case studies on Endeavor or Endeavor Entrepreneurs taught in 2009.</td>
<td>495MM people reached by Endeavor through print and broadcast media in 2009.</td>
</tr>
<tr>
<td>64% average annual growth rate in first two years after joining Endeavor.</td>
<td>86 Endeavor Entrepreneurs have started another company post selection.</td>
<td>432 weeks spent by Fellows and eMBAs on location consulting Endeavor Entrepreneurs in 2009.</td>
<td>754 patents or pending patents pending by Endeavor firms.</td>
<td>401 major entrepreneurship awards received by Endeavor and its Entrepreneurs.</td>
</tr>
<tr>
<td>10% of Endeavor Companies have sold or IPO’d.</td>
<td>23,000+ candidates received professional feedback.</td>
<td>291 Endeavor Entrepreneurs advise or invest in other Endeavor companies.</td>
<td>76% of Endeavor Entrepreneurs invested in R&amp;D in 2009.</td>
<td>14% of first-year Stanford business school students applied to be an eMBA.</td>
</tr>
</tbody>
</table>
ENDEAVOR CHANGING BRAZIL

INCREASE THE NUMBER OF HIGH IMPACT ENTREPRENEURS IN THE COUNTRY

WHO THEY ARE:

- **Passionate** (about what they do)
- **Generate real value** (innovation and excellence)
- **Being big** (vision, ambition)
- **Just doing it** (attitude)
- **Being ethical** (getting it right, no shortcuts)

HOW THEY DO IT:

- Transparency
- Management
- Good people

+ employment
+ income
+ innovation
+ economic growth
- inequality
ENDEAVOR OPERATIONS:

Selection
We select entrepreneurs with the potential to create high impact businesses.

Selection criteria:
- Entrepreneurial profile
- Ethical
- Innovative
- Potential for growth
- Sales revenue of $1.5MM - $25MM

We leverage the entrepreneurs through the exchange of knowledge with the Endeavor network

Leverage
Multiply
The entrepreneurs grow, generate employment and income and develop the country

Disseminate the stories and learnings to society:
- Education
- Web
- Events
- Media

Society is inspired to become more entrepreneurial

Investors
Consultants and advisors
Executives
Talent – top MBAs
Big businessmen
WHAT DO WE NEED TO MEASURE?

ENTREPRENEURSHIP SUPPORT ORGANISATIONS NEED ANSWERS TO MANY QUESTIONS

- Do our entrepreneurs have a social and economic impact?
- How do they compare to other entrepreneurs in their sector or region?
- Do our programmes and interventions have effects?
- Do businesses in general have an impact on the economy and society? If so, which have the most effect?
- How does what is going on in my country compare to the rest of the world?
The newest and most prestigious programme that measures entrepreneurship: Supported by Kauffman and designed by the OECD and Eurostat

International comparisons: 23 countries involved (USA, Canada, Europe, Israel)

Holistic: Looks at many factors that can create an entrepreneurial environment and also at what entrepreneurship can do for a country

Use existing data: Use existing data which national statistics organisations already have and incentivise them to develop more comparable data to other countries.
EIP FRAMEWORK

DETERMINANTS

- Regulatory Framework
- Market Conditions
- Access to Finance
- R&D and Technology
- Entrepreneurial Capabilities
- Culture

PERFORMANCE

- Firms
- Employment
- Wealth (i.e. salaries)

IMPACT

- Job Creation
- Economic Growth
- Poverty Reduction
- Formalising the informal sector
Endeavor and IBGE will release the first report on high-growth businesses in Brazil using national data and the OECD framework in August 2011.
PERFORMANCE INDICATORS

- Number of firms
- Number of high growth firms
  - High growth: a firm that has grown employment by 20% each year over 3 years, excluding all firms starting the period with less than 10 employees
- Number of people employed
- Sales revenue
- Value added
- Money spent on research

SPLIT BY:

SIZE, AGE, SECTOR, REGION, HIGH-GROWTH (yes/no)
## PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>JOBS 2005</th>
<th>JOBS 2008</th>
<th>JOBS CAGR</th>
</tr>
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<tbody>
<tr>
<td>Health Care Equipment &amp; Services co.</td>
<td>28</td>
<td>64</td>
<td>129%</td>
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<tr>
<td>Hardware and equipment co.</td>
<td>31</td>
<td>65</td>
<td>110%</td>
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<td>Advertising, Marketing &amp; PR co.</td>
<td>17</td>
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The table shows the growth in jobs and the compound annual growth rate (CAGR) for different companies and sectors from 2005 to 2008.
Using the Data

- Previous example – companies that are growing at the same rate are not enjoying the same success when compared to their market.
- Comparing this to our needs assessment process could help to evaluate the effectiveness of programmes.

- High growth companies in Brazil are more likely to be found in the manufacturing sector rather than the service sector.
- The key regions for businesses in Brazil remain important: the Southeast region has the most high-growth businesses, followed by the South and then the North-East.

See the companies that are succeeding / need more help

Comparisons to the market to further understand

Highlighting areas to find new Endeavor entrepreneurs

Key sectors, subsectors and states
### OTHER PROGRAMMES AND EIP

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<th>Determinants</th>
<th>Entrepreneurial Performance</th>
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<tbody>
<tr>
<td>Regulatory Framework</td>
<td>Entrepreneurs or potential entrepreneurs from programmes i.e. business performance</td>
</tr>
<tr>
<td>Market Conditions</td>
<td></td>
</tr>
<tr>
<td>Access to Finance</td>
<td></td>
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<td>R&amp;D and Technology</td>
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<tr>
<td>Entrepreneurial Capabilities</td>
<td></td>
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<tr>
<td>Culture</td>
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</table>

- **Policy programmes**
  - i.e. regulatory reform, lobbying

- **Programmes with financiers & entrepreneurs**
  - i.e. technology transfer

- **Innovation programmes**
  - i.e. technology transfer

- **Entrepreneurship training / education programmes**

- **Bridging programmes**
  - i.e. I - bridge

- **Entrepreneurship websites**

- **Interventions in culture**
  - i.e. media campaigns

- **Global Entrepreneurship Week**
MULTIPLY – MORE DIFFICULT TO MEASURE

OUTREACH PROGRAMMES TO TRANSMIT ENDEAVOR EXPERTISE TO THE POPULATION

GLOBAL ENTREPRENEURSHIP WEEK

<table>
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<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>1780</td>
<td>3043</td>
</tr>
<tr>
<td>Participants</td>
<td>2.3MM</td>
<td>2.6MM</td>
</tr>
<tr>
<td>Partners</td>
<td>558</td>
<td>560</td>
</tr>
</tbody>
</table>

+2000 Students

+500 Professors

25 Universities

R$30MM A.V.E.
PLANS FOR 2011: MEASURING CULTURE INDICATORS

- National survey with population and business owners
- Regional booster surveys to provide more detailed and diverse pictures within Brazil
- Comparisons to participants in Endeavor programmes
PLANS FOR 2011: MEASURING CAPABILITIES INDICATORS

- The first inter-university survey in Brazil about provision, entrepreneurship capabilities and attitudes
- Nationwide mapping of entrepreneurship education in universities
- Comparisons to participants in Endeavor University programmes
MEASURING ENDEAVOR PROGRAMMES USING THE EIP

Determinants
- CULTURE
  - GEM, Eurobarometer, Gallup Poll, World Values Survey, World Bank enterprise survey
- CAPABILITIES
  - University surveys, WEF, Junior Achievement, Chambers of Commerce, GEM, Innovation surveys

OECD

NATIONAL DATA
- Endeavor culture survey
- Segmentation tool for entrepreneurs
- Business monitoring
- Web registration data
- BPF surveys
- BPF survey (alumni)

Performance
- National statistics agencies in over 30 countries
- IBGE – statistics office
- Student survey (alumni)
INFO ON HGBS?

N

BUSINESS REGISTER?

N

INTEREST IN CREATING BUSINESS DATA?

Y

Y

Y

Y

N

N

N

Easy – use the information

Use existing data and work in conjunction with the OECD. Use the e.g. of Brazil and stats office

Persuade agency of the importance and introduce / inform OECD of progress