



Startup Ecosystem Presentation for WSP UKAID सीप Event

**Catalyzing Collaborations to Promote Enterprise
Start-up and Self-Employment Opportunities
for and by Returnee Migrants in Nepal**

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Startup and Innovation Ecosystems as a key driver of new quality employment

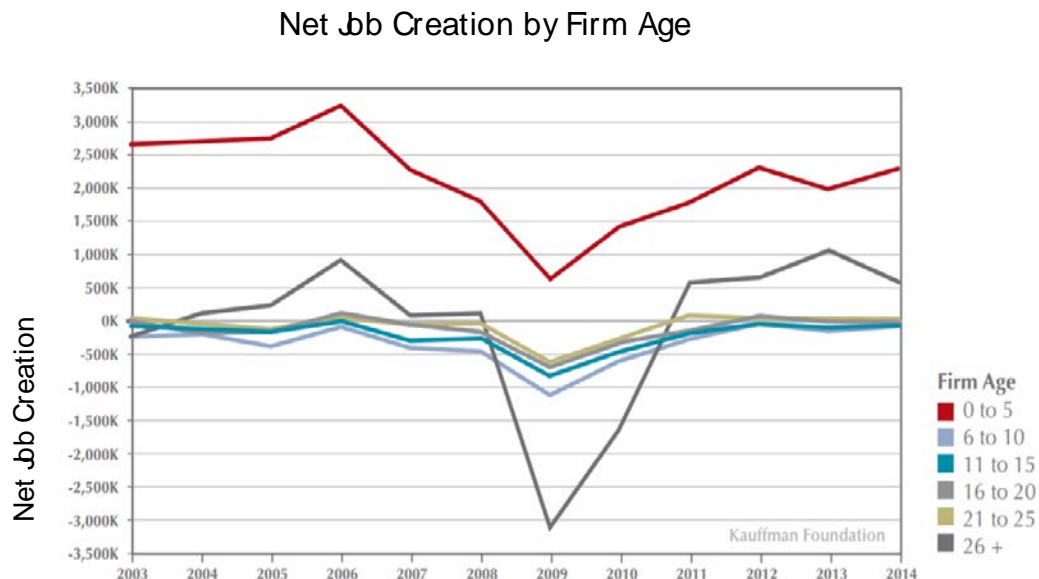
The Global Startup Revolution is disrupting industry after industry

- >4% of the global economy
- Total Ecosystem Value of \$2.8T
- Growing 10% a year
 - (3X to 4X the growth rate of our economies)

* 4.5% of OECD countries in 2015 (U.S. 5.2%)

Within 20 years it will become the
largest single sector of the world's economy

Startups have become the #1 engine of job creation



Source: Arnobio Morelix, Kauffman Foundation calculations from the U.S. Census Business Dynamics Statistics

Large companies are net destroyers of jobs, and
this is accelerating with the Fourth Industrial Revolution

Tech was an engine of the last economic recovery

Startups = resilient engine of job creation

NAICS Code	Industry	Employment CAGR		
		2007-2011	2011-2015	2015-2019
0	TOTAL	-1.2%	1.8%	1.6%
62	Health Care and Social Assistance	2.2%	1.8%	2.9%
44-45	Retail Trade	-1.4%	1.6%	0.1%
72	Accommodation and Food Services	0.0%	3.3%	2.2%
61	Educational Services	0.6%	0.2%	0.8%
31-33	Manufacturing	-4.5%	1.5%	0.8%
54	Professional, Scientific, and Technical Services	0.1%	3.0%	2.5%
5415	Computer Systems Design and Related Services	2.6%	5.9%	3.6%
23	Construction	-7.8%	3.6%	3.9%
52	Finance and Insurance	-2.2%	0.8%	1.3%
42	Wholesale Trade	-1.8%	1.3%	0.0%
71	Arts, Entertainment, and Recreation	-0.4%	4.3%	2.6%
55	Management of Companies and Enterprises	-0.1%	4.4%	2.2%

**Computer Systems Design and Related Services classification (NAICS 5415) refers to “establishments primarily engaged in planning and designing computer systems that integrate computer hardware, software, and communication technologies”*

Traditional R&D has lost power as economic engine Ambidextrous innovation ecosystems perform best

GDP CAGR growth

Region	2003 - 2007	2010 - 2014	2014 - 2016
Silicon Valley	3.8%	4.2%	6.9%
Toronto	1.1%	1.5%	4.7%
Vancouver	4.1%	2.2%	4.5%
Seoul	4.6%	3.1%	3.3%
Taiwan	6.0%	3.0%	1.2%

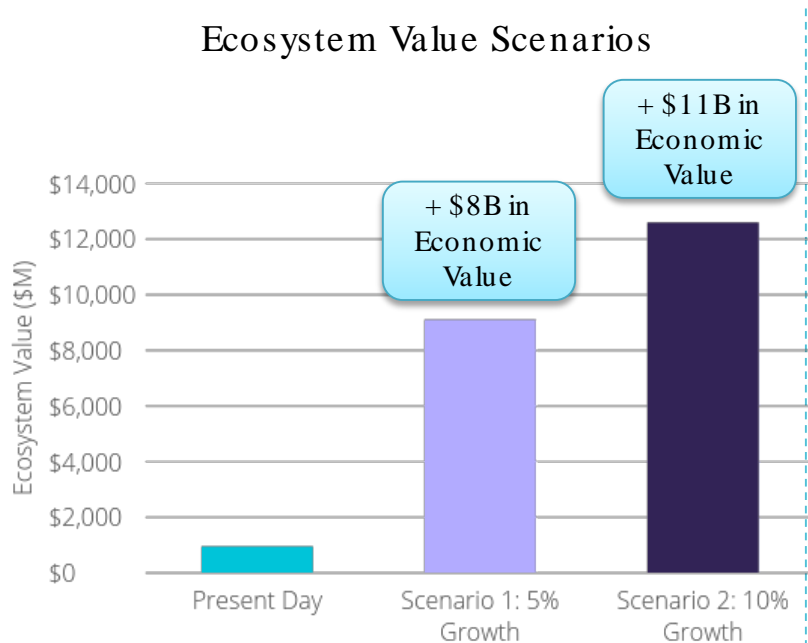
Even assuming negative return on venture equity, saving startup jobs costs 40% less than for traditional SME jobs

3) Cost-Benefit of Policy Investments in Startups

Startup Genome's analysis shows that, while some startups inevitably die, as a portfolio, government support to startups will produce more jobs in the present and future at a lower "cost per job" saved — despite the larger survival rate of SMEs.

	Total employees	# of FTEs in 2023	Cash to save them	Months of Cash	Type	Net gain at normal VC returns	Net cost assuming -10%/yr returns	Average wage	Cost per 2023 jobs saved
Many SMEs	500	487	\$12.2 M	6 months	grant		-\$12.2 M	\$48,600	-\$24,928
10 Series A startups	500	645	\$18.3 M	6 months	equity	\$24.7 M	-\$9.5 M	\$81,237	-\$14,766

Increasing the size of an ecosystem and the Scaleup rate has a large impact on job creation (based on an actual Startup Genome member ecosystem)



In 2025, ecosystem value could increase by over 9x in Scenario 1 and over 13x in Scenario 2.

High potential to multiply the number of jobs in the metropolitan area

2025

	Estimated Direct Employment	Indirect Employment Generated
Current Scenario	9,184	36,736
Scenario 1: 5% Growth	14,294	57,182
Scenario 2: 10% Growth	24,877	99,509

In 2025, direct startup jobs will increase by ~5,100 and ~15,700 under Scenario 1 and 2. Indirect employment based on 4X job multiplier. Another 30% to 50% of jobs will exist from startup exits in the next 2.5 years.

The Global Startup Revolution is driving the most dramatic value creation in history

5 of world's top-10 companies were produced by Tech startup ecosystems

At their peak, the following industries had in the top-10...

- Telecom 3
- Computers 3
- Automotive 3
- Semiconductors 2

Rank	Company
1	Amazon
2	Microsoft
3	Apple
4	Google
5	Facebook
6	Berkshire Hathaway
7	Alibaba
8	Tencent
9	Visa
10	Johnson-Johnson

Unfortunately, the value created by the Global Startup Revolution is greatly concentrated



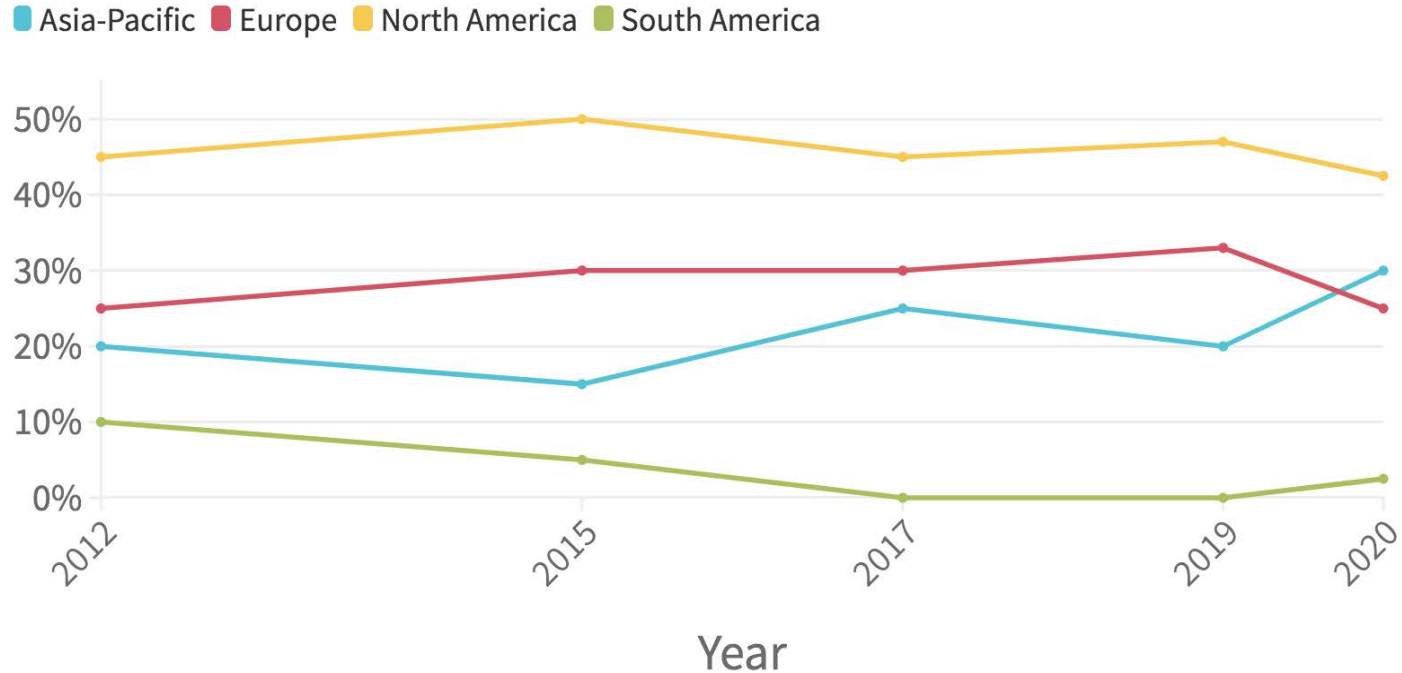
68 %

of all value created by startup
ecosystems is concentrated in the top 10

down from 87% in 2011-2012

Asia is capturing an increasing share of wealth creation

Percent of Ecosystems amongst Top Global Ecosystems by Continent




SEA Ecosystem Ranking and Performance

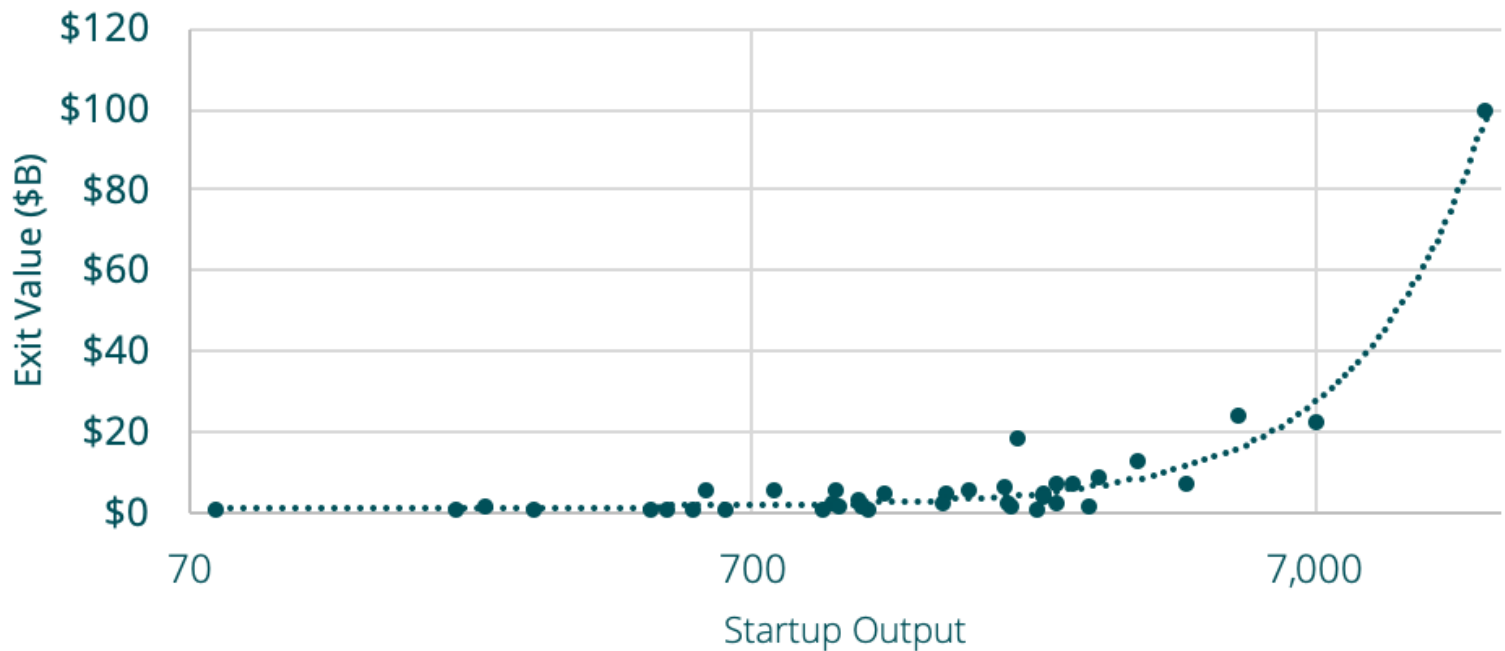
Emerging Ecosystem Rankings 2020

Emerging Ecosystem 2020	Performance	Funding	Experience	Market Reach	Talent	Final Rank
Jakarta	35	45	67	25	49	2
Kuala Lumpur	43	69	96	32	23	11
Manila	95	114	133	24	42	34
Bangkok	120	94	111	115	39	54
Ho Chi Minh City	128	133	142	79	103	77

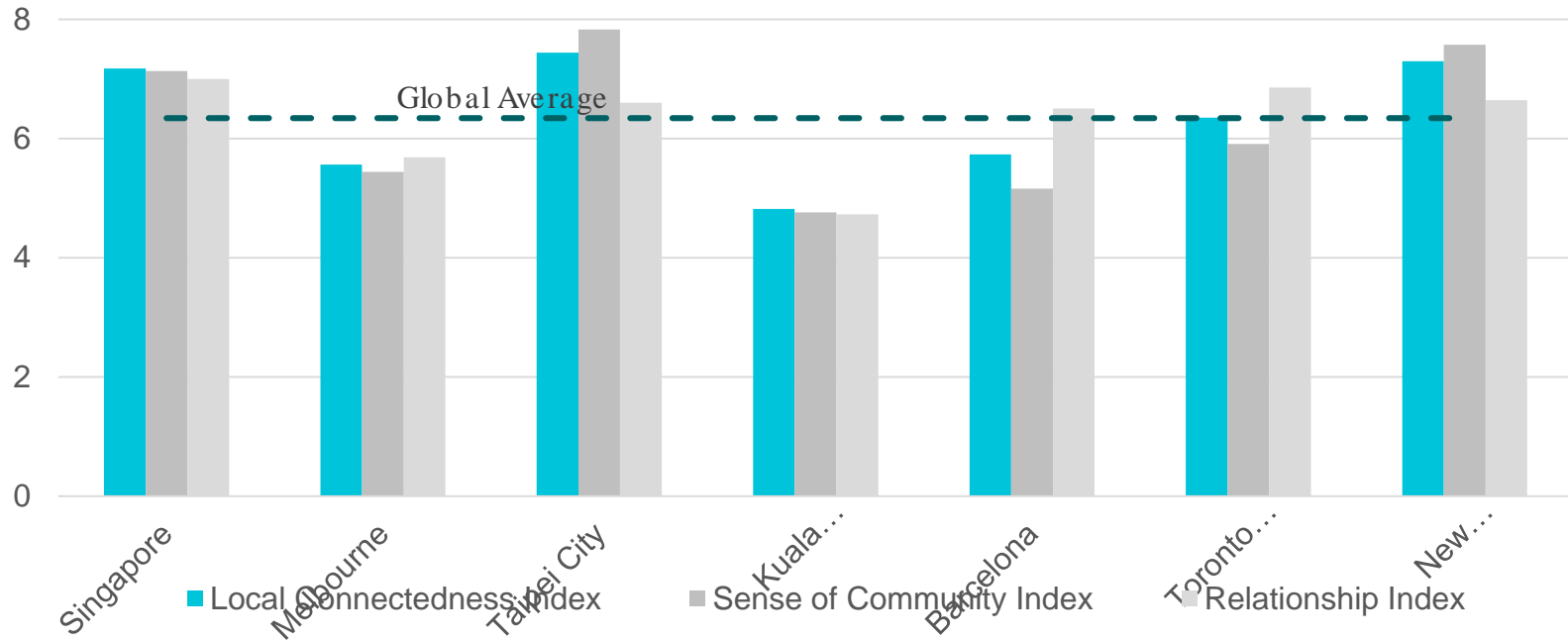
What makes a Tech startup ecosystem become an engine of economic growth and job creation?

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1. Bigger is better
 2. Local Connectedness
 3. Global Connectedness = Global Knowledge + Potential
 4. Global Market Reach = Realize Global Potential
 5. Resources, Support Organizations, and Policies

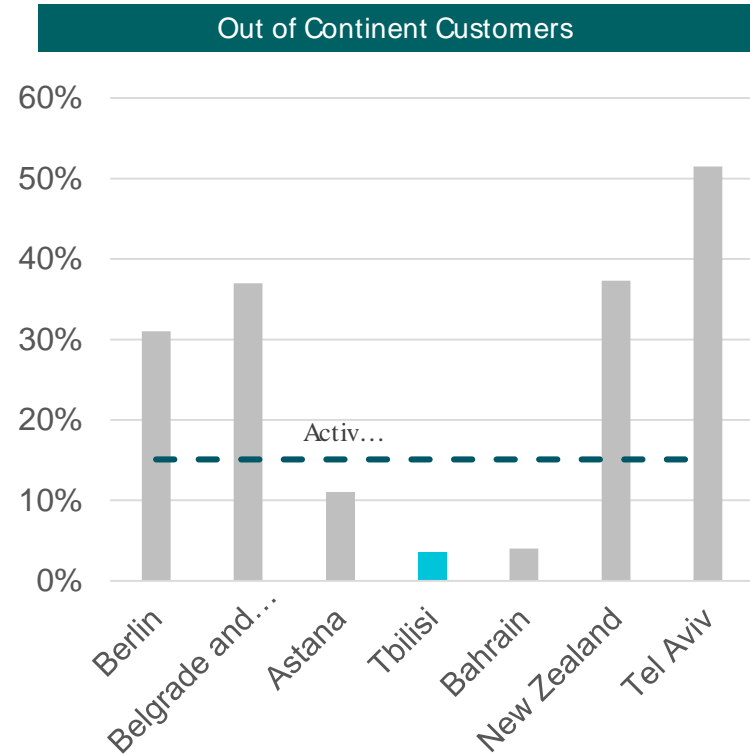
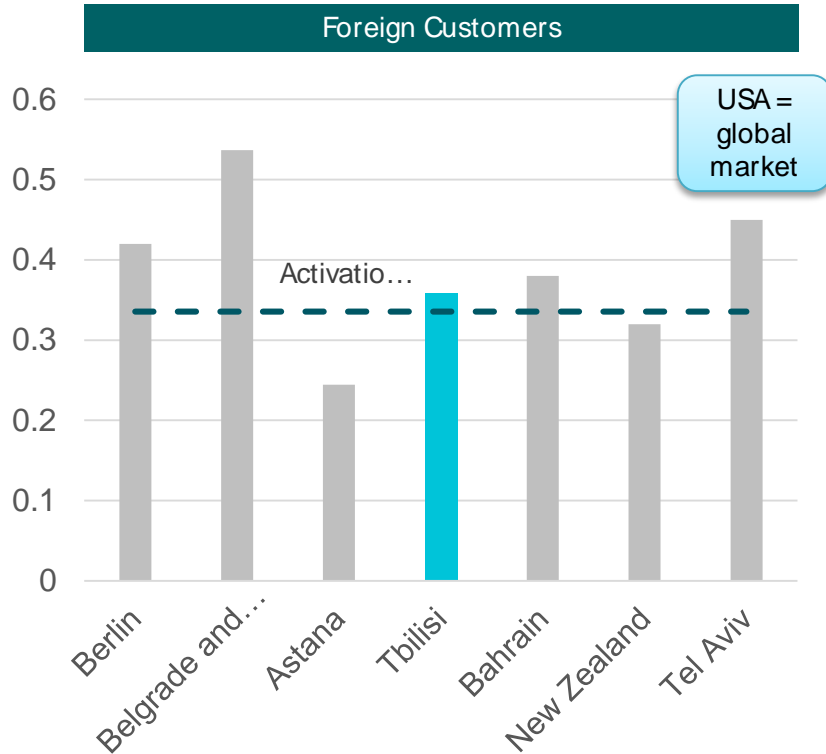
The larger our entrepreneurial community, the more productive we are



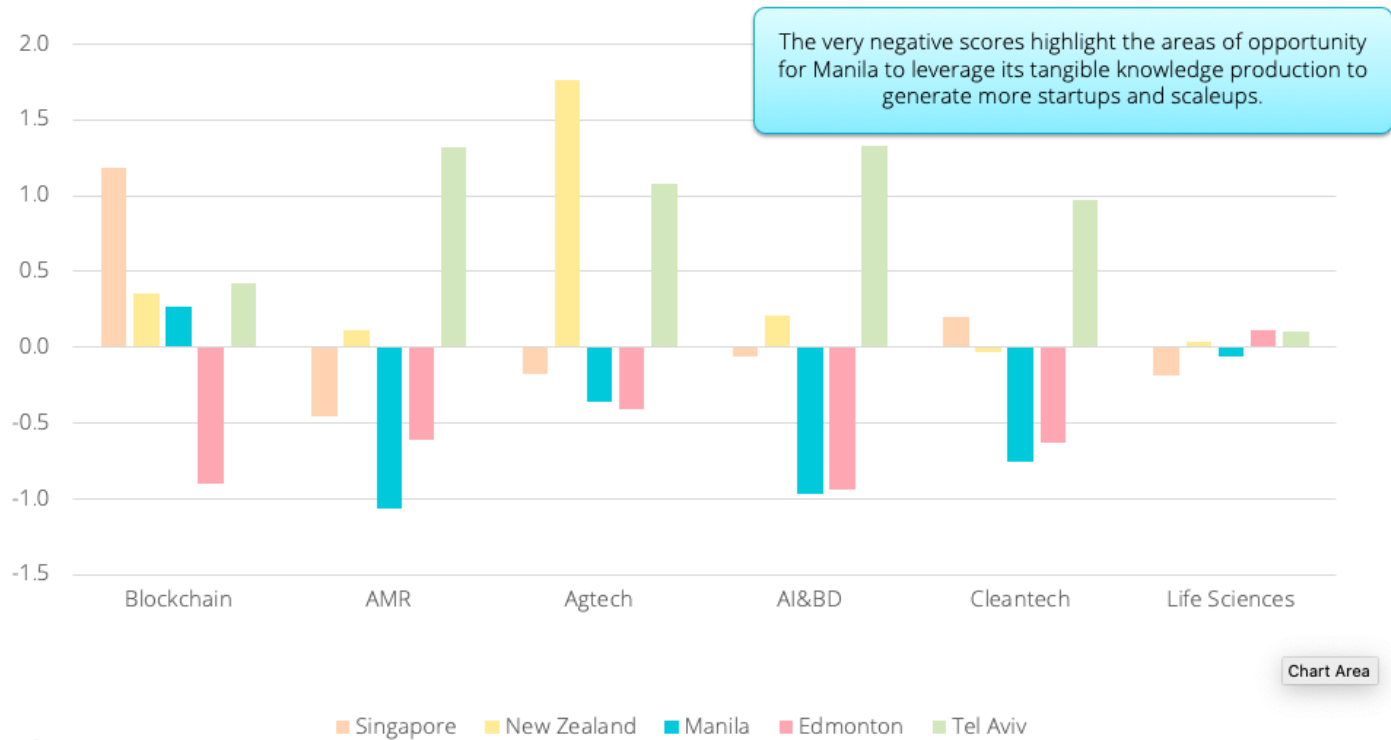
Example KL: Ecosystem has lower Local Connectedness than the global average



Example Tbilisi: Startups show gaps in Global Connectedness and Market Reach



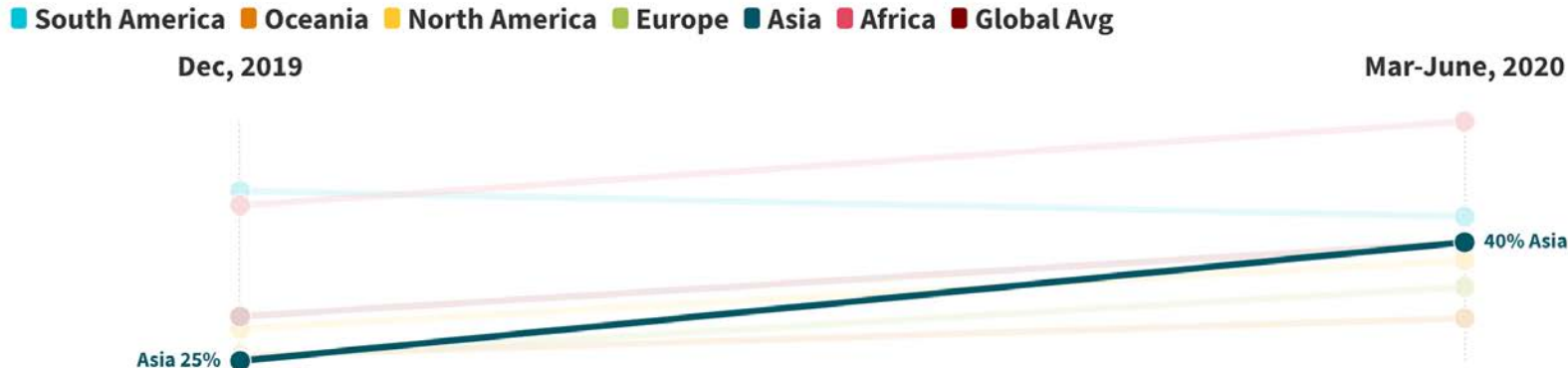
Deep Tech is emerging as the most important driver going forward



COVID-19 has drastically affected global startup ecosystems. Startups need to be understood and need responsive, targeted support.

Startup Funding and Financial Runway

Percentage of Startups with less than 3 months of financial runway

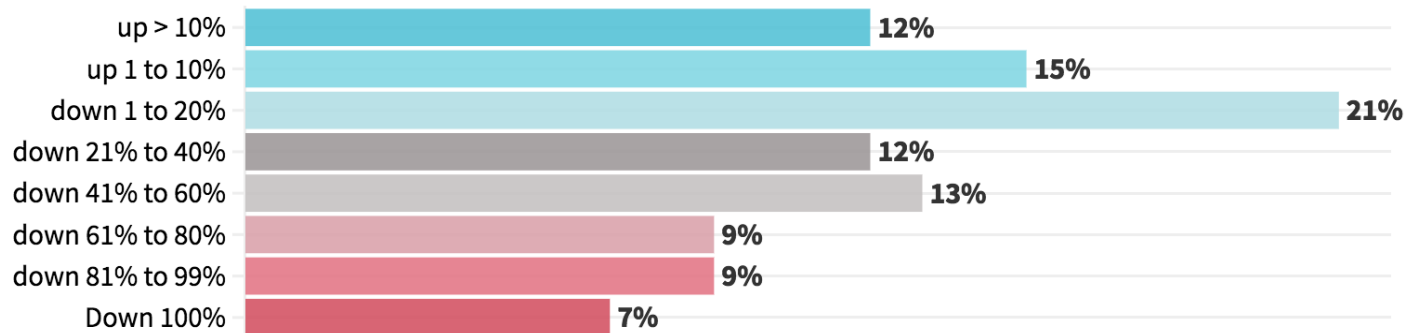


Term sheets derailed in SEA

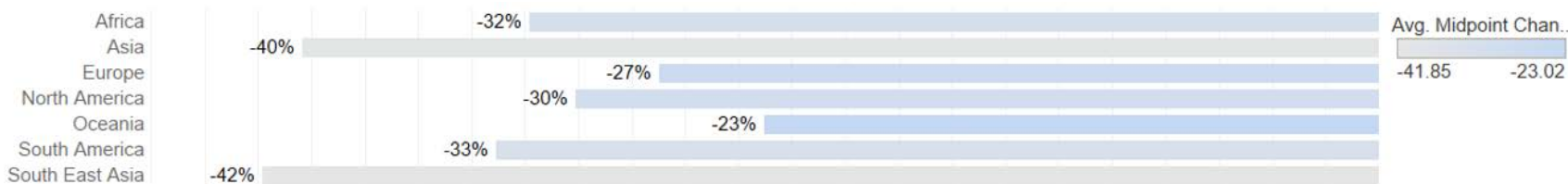
It was cancelled by the investor	South East Asia	16%
The lead investor is unresponsive	South East Asia	16%
The process has slowed down	South East Asia	32%
The process is going on pretty normally	South East Asia	5%
We closed and got the funds	South East Asia	32%

Crisis impacting demand

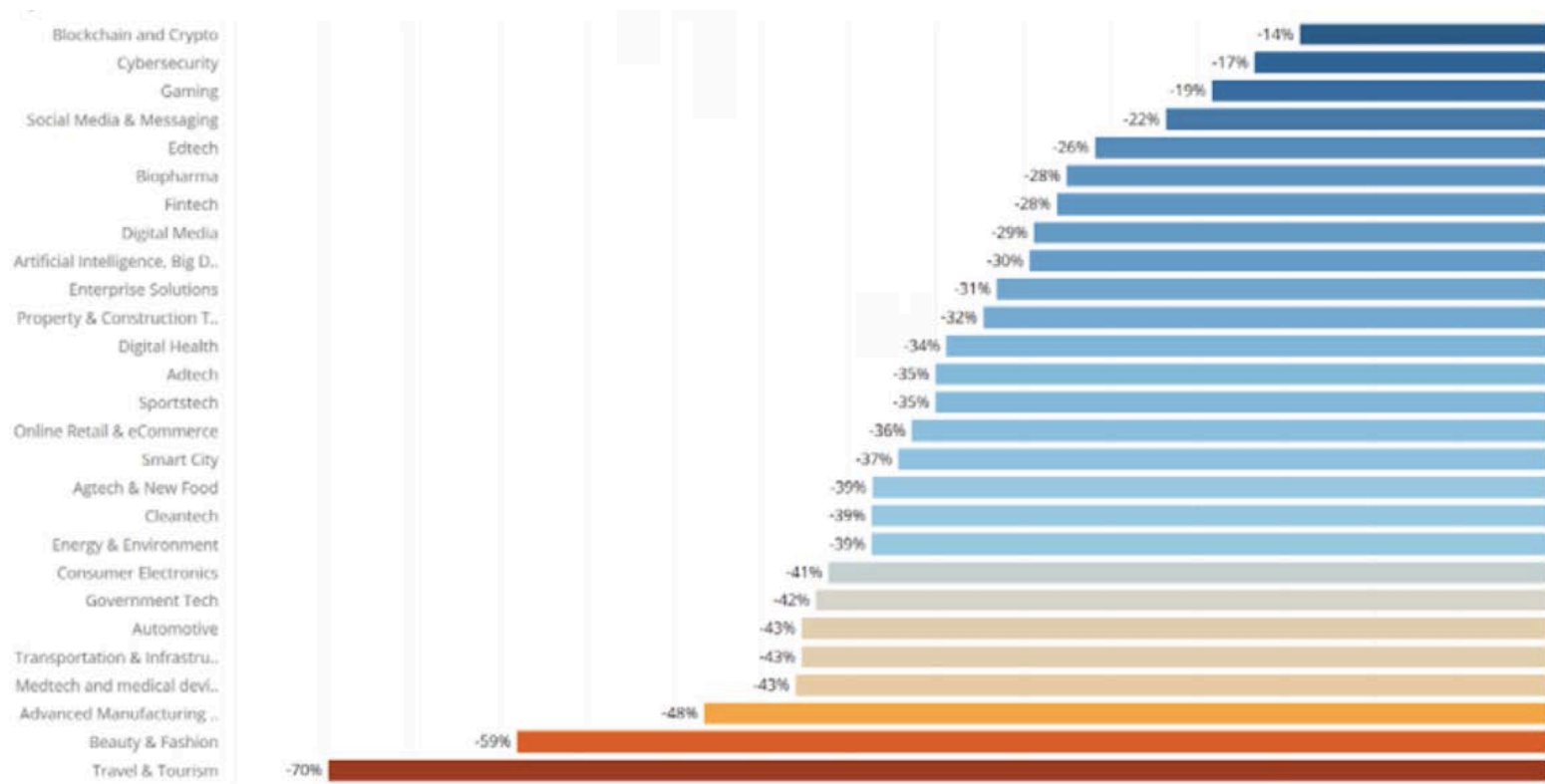
Change in revenue since the beginning of the crisis globally



Change in revenue since the beginning of the crisis by continent



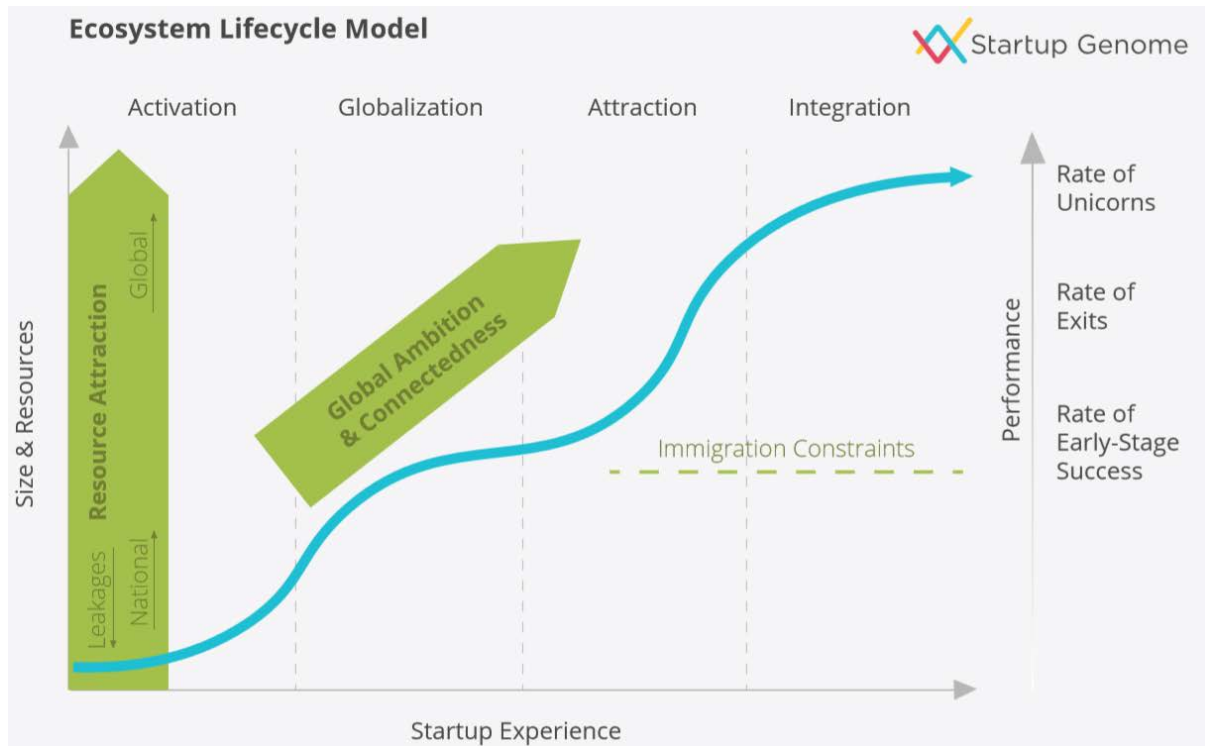
Resilience by industrial subsectors



Ecosystem Policy Is the New Industrial Policy



Startup Ecosystems are a new type of industry clusters



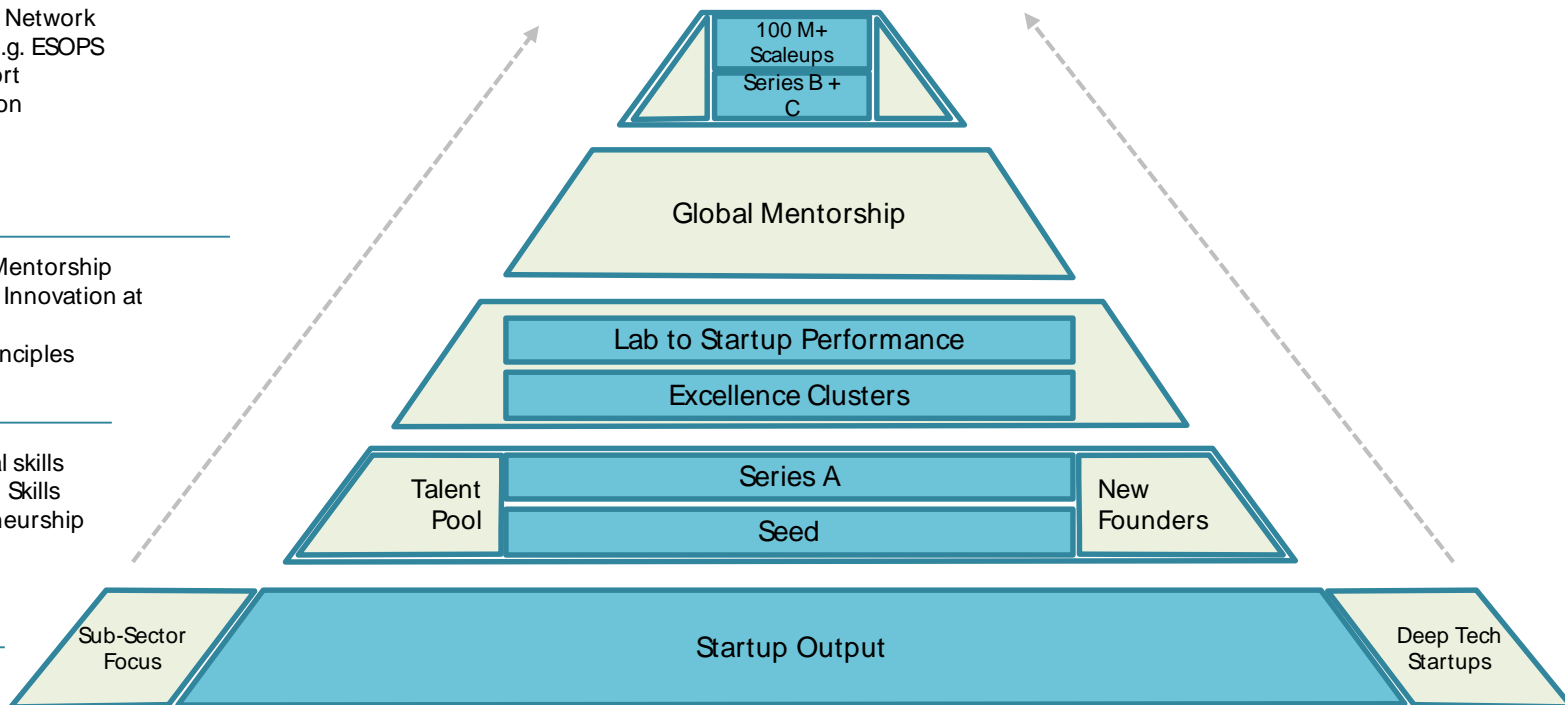
1. Global competition for Resources and Markets
2. Economic impact = large scaleups

Building the ecosystem requires a focused action plan

- Global Mentorship Network
- Talent Attraction, e.g. ESOPS
- Soft-landing Support
- Visibility – Promotion

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- Acceleration and Mentorship
 - Incubation / Open Innovation at Universities
 - Keystone team principles

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- Coding / Technical skills
 - Entrepreneurship Skills
 - Female Entrepreneurship
 - Angel Education



Great Practices for Talent Development

Digital Inclusion	Basic use of digital services	<ul style="list-style-type: none">• Digital Ambassadors (DOT Canada / UN Rwanda)
Digital Jobs enablement	Essential training to train/re-train human resource	<ul style="list-style-type: none">• Tech Grounds Amsterdam
Digital Transformation for SMEs	Essential understanding of the use of tech in SMEs	<ul style="list-style-type: none">• SME Connect Amsterdam / Tel Aviv
Entrepreneurship Skills	Bootcamp for “would be” founders	<ul style="list-style-type: none">• Tech Nation UK – DBA• Global School for Entrepreneurship
Mentorship networks	Access to peer and mentorship-based learning	<ul style="list-style-type: none">• GEN Accelerate / Venture Hive
Seed stage investors	Angel Education / University	<ul style="list-style-type: none">• Angel Resource Institute• GEN - GBAN

Building a solid talent foundation



Thank you

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