

Characteristics of a Strong Entrepreneurship Ecosystem

- Public Leaders:
 - Act as strong, public advocates for entrepreneurs and entrepreneurship
 - Open their doors to entrepreneurs and those promoting entrepreneurship
- Governments:
 - Create effective institutions directly associated with entrepreneurship (research institutions, overseas liaisons, forums for public-private dialogue)
 - Remove structural barriers to entrepreneurship: such as onerous bankruptcy legislation and poor contract enforcement
- The culture at large:
 - Tolerates honest mistakes, honorable failure, risk taking, contrarian thinking
 - Respects entrepreneurship as a worthy occupation and values wealth creation
- Visible success stories that:
 - Inspire youth and would-be entrepreneurs
 - Show ordinary people that they too can become entrepreneurs
- Enough knowledgeable people who:
 - Have experience in creating organizations, hiring, building structures, systems and controls
 - Have experience as professional Board members and advisors
- Capital sources that:
 - Provide equity capital for companies at pre-revenue stage
 - Add non-monetary value, such as mentorship and contracts
- Non-profits and industry associations that:
 - Help investors and entrepreneurs network and learn from one another
 - Promote and ally with entrepreneurship (such as software and biotech associations)
- Educational institutions that:
 - Teach financial literacy and entrepreneurship to high school and college students
 - Allow faculty to take sabbaticals to join startups
- Public infrastructure provides sufficient:
 - Transportation (roads, airports, railways, container shipping)
 - Communication (digital, broad band, mobile)
- Geographic locations that have:
 - Concentrations of high-potential and high-growth ventures
 - Proximity to universities, standards agencies, think tanks, vocational training, suppliers, consulting firms, and professional associations
- Formal or informal groups that link:
 - Entrepreneurs in region and diaspora networks – in particular, high achieving expatriates
 - New ventures and local offices of multinationals
- Venture oriented professional, such as:
 - Lawyers, accountants, and market and technical consultants who will work on a contingency basis or for equity stock
- Local potential customers who are:
 - Willing to give advice, particularly on new products or services
 - Willing to be flexible with payment terms to accommodate cash flow needs of young, rapidly growing suppliers

Babson Entrepreneurship Ecosystem Project Framework