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# Global Entrepreneur Indicator

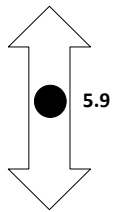
from the Entrepreneurs' Organization

## Global Entrepreneurial Efficacy Indicator

### Interim Findings Summary - Second Survey (November 2010)

#### Canadian Region Entrepreneurial Efficacy Indicator

#### Summary of Findings



Overall, entrepreneurs in Canada had the highest rating for the effectiveness their country in fostering entrepreneurship, with a score of 5.9 out of 10. They were more satisfied than any other region when rating actual effectiveness of local factors' influence on entrepreneurship.

**Entrepreneurs in Canada expect an improvement in the economic environment in the next quarter, and are much more positive than their US counterparts.**

A clear majority (68%) of entrepreneurs in Canada think their economic environment will improve in the next quarter. In comparison, the US remains neutral and the least optimistic about the coming quarter, with an average score of 5.0 out of a possible 10.

While the Asia Pacific region is the most optimistic, this suggests that Canadian and the Asia Pacific entrepreneurs will be the leading regions for entrepreneur led economic growth in the months ahead.

**Canadian entrepreneurs are the most enthusiastic in the world in recommending their own country to foreign entrepreneurs to start a new business.**

In Canada, the optimism toward new business opportunities at home is extended to foreign entrepreneurs; 85% of Canadian respondents had a positive view in recommending their nation to a foreign entrepreneur in starting a new business.

Entrepreneurs in Canada are very positive about the likelihood of starting a new business in their own country, scoring of 7.0 out of 10. This Indicator series found similarly positive outlooks in both the EMEA and LAC regions, as well. Asia Pacific region entrepreneurs are the most positive toward starting a new business (7.3) in their own country, but US entrepreneurs (though still positive) the least (6.2).

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**The significant majority (76%) of Canadian entrepreneurs are positive about the influence of government programs to foster entrepreneurship.**

Entrepreneurs in Canada rate the influence of government programs to foster entrepreneurship higher than any other region in this global survey (7.0 out of 10). No other region came close to Canada on this Indicator of entrepreneurial efficacy.

Entrepreneurs in Canada rate the influence of the economic environment (7.7) as the most significant factor in fostering entrepreneurship. Canada also scores highly regarding the influence of the following:

- advice and experience of entrepreneurs (7.5)
- financial support (7.3)
- physical infrastructure (7.1)
- tax policy (7.1)
- regulation (7.0)

**Canadian entrepreneurs are the most satisfied globally regarding actual effectiveness of local factors in encouraging entrepreneurship in their country.**

Canadian entrepreneurs scored the effectiveness of government programs to foster entrepreneurship in their country a 5.7 out of 10 (55%). This is a significant increase from the one-third (36%) in the previous survey (May 2010). Interestingly, no other region had a majority of entrepreneurs who were positive about the effectiveness of government programs.

Canada region's entrepreneurs were most positive about the effectiveness of their access to physical infrastructure (6.5); research and development (6.0); and financial support (6.0).

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## About the Research

This report is part of the Global Economic Indicator research program conducted by the Entrepreneurs' Organization in partnership with The Standard Chartered Private Bank. This research program began in May of 2010 and consists of a five-year series of quarterly surveys of Entrepreneurs' Organization members. The full report and findings are available at: <http://www.entrepreneurindicator.com/>.

The significance and uniqueness of this global research program lies in the very tight definition of a successful entrepreneur represented by the Entrepreneurs' Organization's membership base. All those surveyed have successfully founded a business grossing more than US\$1 million in revenue annually. Overall, EO members average US\$18.4 million in revenue per year. Between them, these entrepreneurs employ more than 1.3 million workers, with an average of 191 employees per entrepreneur. The average age of the entrepreneurs surveyed is 40. This group is generally very difficult to gain access to and poll. However, the Entrepreneurs' Organization holds a member base fitting these criteria that are captive to the organization, providing the ability to gain an entree to this highly important sample of the successful entrepreneur population.

This initial research surveyed more than 7,300 entrepreneurs in 42 countries from the Entrepreneurs Organization, achieving a response rate of 20% based on a minimum reach of 7,300.

### Global Entrepreneur Indicator: Entrepreneurial Efficacy

The Entrepreneurial Efficacy Indicator measures entrepreneurs' views on a country's effectiveness in fostering entrepreneurship. Five versions of the Global Entrepreneur Indicator: Entrepreneurial Efficacy have been produced: including the Global Indicator and reports for the United States, Australia, Canada and the Asia region.

Detailed Interim Research and Regional reports will appear at <http://www.entrepreneurindicator.com/>.

At the time of writing, and although similar in some measures and approaches to the GEM index, the Global Entrepreneur Indicator for Entrepreneurial Efficacy is the first of its kind globally, which measures successful entrepreneurs' views on the ability of countries and regions to foster entrepreneurship.

## Methodology

### Survey

The survey incorporates elements of cited measures for understanding the view of entrepreneurs on the effectiveness of countries and regions to foster entrepreneurship. Many of the measures have been drawn from the GEM index as described in the research report literature scan. The litmus test for the choice of key indicators for the purposes of this research is that they are measurable in a single question to reduce survey size and increase response rates.

There are 10 categories measured in the Entrepreneurial Efficacy Indicator:

- Advice and experience of other entrepreneurs
- Government programs supporting entrepreneurship
- Entrepreneurship education and training
- Research and development transfer
- Access to physical infrastructure
- Economic environment
- Financial support
- Government policies
- Inflation
- Currency

Some additional questions, which are not used in the calculation of the Indicator, have also been included in the survey for other insights into topical areas of interest from time to time. These, as well as data from Indicator questions, may be used in the Entrepreneurial Performance Indicator or other Entrepreneurs' Organization Indicators.

The Indicator is calculated as the category score, or averaged upper end and neutral percentages divided by 10, which are then averaged across all category scores with equal weighting to give the final Indicator benchmark out of 10.

### Limitations

- Not all respondents may have received the email.
- Over 50% surveyed were based in the U.S., however they only represented 38% of respondents thereby reducing the impact of this limitation.
- The EMEA and Asia regional Indicators have a small response rate relative to their size. These reports can perhaps be used in the context of the longitudinal data as a benchmark made richer over time.
- 42.5% of responses for the EMEA Region Indicator were from the Netherlands.
- There may be anomalies in the membership data, such as an owner or major shareholder rather than founder may be included in respondents or other anomalies.
- There may be anomalies caused by technology in the process from data extraction, to survey delivery, to responses, to first stage analysis. While noted as a limitation, this is for probity as these are estimated to be minimal.
- Per the statistics below, most of the membership base is categorized as founder or cofounder, however, more founders and cofounders could be included in the owner and major shareholder categories. Members in these additional categories could potentially be categorized as entrepreneurs, dependent on the nature of intent to innovate or innovation.

Founder or Co-Founder	53%
Owner	34%
Controlling Shareholder	9%
Other	4%

### Response Rates Summary

ASAP	237
Canada	118
EMEA	85
LAC	55
US	712
Global	1207

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