Global Entrepreneur Indicator

Business Environment Report

Report released August 2012

About the respondent sample: All Global Entrepreneur Indicator respondents are entrepreneurs who founded, and are the controlling stakeholder of, a business grossing more than US$1 million in revenue per year. On average, these businesses gross US$18.3 million annually and employ nearly 200 people. More than 2,200 entrepreneurs representing 35 countries responded to the survey.

Predictions on the future of the economy are scattershot, as entrepreneurs’ views vary widely by region. This may reflect economic and political volatilities occurring around the world.

- Globally, while nearly half of entrepreneurs expect economic conditions to hold steady (44%), predictions are split between future improvement (33%) and deterioration (23%).
- Recent economic news is reflected in certain regions’ pessimism, as both Europe/Middle East and South Asia are far less optimistic than their global peers. In fact, 44% of business owners in South Asia (India and Pakistan) expect the local economies to get worse in the coming months.

Entrepreneurs’ predictions for the global economy in the coming six months.
Despite current economic conditions, entrepreneurs see opportunity in the market, as 4 in 5 business owners would be willing to start a new business right now.

- After a steady decline during the past two years, the number of entrepreneurs who expressed willingness to start a new venture dramatically increased since the survey six months ago (from 63% up to 80%). This result may be tied to the cautious optimism entrepreneurs expressed on the economy.
- Canada and the United States are the most upbeat about starting new businesses, with 89% and 83% saying they would do so right now, respectively.
- Providing further evidence that a willingness to start a new business may be closely tied to economic forecasting, Europe/Middle East and South Asia are the least willing to jump into new ventures (74% and 60%, respectively).

A timeline of the global percentage of entrepreneurs who would be willing to start a new business.
The percentage of entrepreneurs who would be willing to start a new business right now, by region.
On the whole, entrepreneurs’ access to capital is improving slightly, though many also report that there has been no change in market conditions during the past six months.

- Nearly a third of entrepreneurs globally (31%) reported that their ability to access capital improved in the past six months, with an additional 59% reporting that conditions held steady.
- Globally, only 10% of business owners feel as though accessing capital became more difficult. In fact, in every region, a greater number of entrepreneurs said it has become easier to access capital than said it has become harder.
- Perhaps tied to their positive report on economic conditions, entrepreneurs in Latin America/Caribbean has the most positive reporting, as nearly half (47%) said accessing capital became easier.
- Unsurprisingly, Europe/Middle East reported the least positive results, with only 23% saying access to capital had improved.

Entrepreneurs were asked about how access to capital has changed in the past six months.
About the Research

This report is part of the Global Entrepreneur Indicator research program conducted by the Entrepreneurs' Organization (EO). This research program began in May of 2010 and consists of twice-annual of surveys of EO members. The full report and findings are available at: 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 EO'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$18.3 million in revenue per year. Between them, these entrepreneurs employ more than 1.7 million workers, with an average of 192 employees per entrepreneur. The average age of the entrepreneurs surveyed is 41.

This group of successful entrepreneurial firms is significant in its place in the globally economy, but is generally very difficult to gain access to and poll. The Entrepreneurs' Organization, however, has a membership base fitting these criteria, providing the ability to gain an entree to this highly important sample of the entrepreneurial population.

More than 2,200 entrepreneurs from 35 countries responded to the survey.

For further information about the research:

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