



# Small businesses Big impact MSMEs and start-ups for economic development

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# The power of SMEs – startups

- Majority of businesses worldwide - entrepreneurship is essential for a region's or country's development
- Important contributors to job creation and global economic & SOCIAL development
- Challengers of existing systems and laggards
- Developers of new (sustainable) markets - big business needs to be better at understanding SMEs as creators of new markets – innovators dilemma

# However...

- Difference between formal vs informal – informal sector often doesn't meet the lowest bar of a good job and struggle with access to quality health care and education
- Difficulties in getting access to finance
- Not enough access to digitally skilled people

# Solutions

Building new ecosystems

Providing access to digital services

Education

Making global value chains more sustainable

# Building NEW ecosystems

- Entrepreneurial ecosystems as innovation hubs for SMEs
- The level of digital technology is positively associated with the output of national entrepreneurial ecosystems, and this positive relationship is strengthened in nations with a supportive culture, high-quality institutions, supportive policies, accessible resources, and well-developed service industries.
- New ecosystems such as bridgital clusters, the Network State and Charter cities

# Ecosystems in support of entrepreneurship

Especially for those entrepreneurs engaged in innovation activities in search of new markets and new opportunities, introducing technological and organisational innovations aimed at longer-term growth and expansion.

And also for the entrepreneurs born out of necessity so they can level up to more added value activities in (global) value chains

# Providing access to digital services

- Bridgital clusters providing SMEs access to digital business services that they otherwise lack
- Equally and especially important for manufacturing led economies: using technology to amplify and extend SMEs' resources
- Technology as an enabler to scale up SMEs – better understand AI's & automation role in small business digitalization

# Education

- Increase digital skills and access to digital services for everyone
- Leveling up micro ventures with self employed individuals who are in survival mode
- Requires a major review of existing tasks and processes to learn more about what is needed to educate people in a way that it matches requirements of the labor market



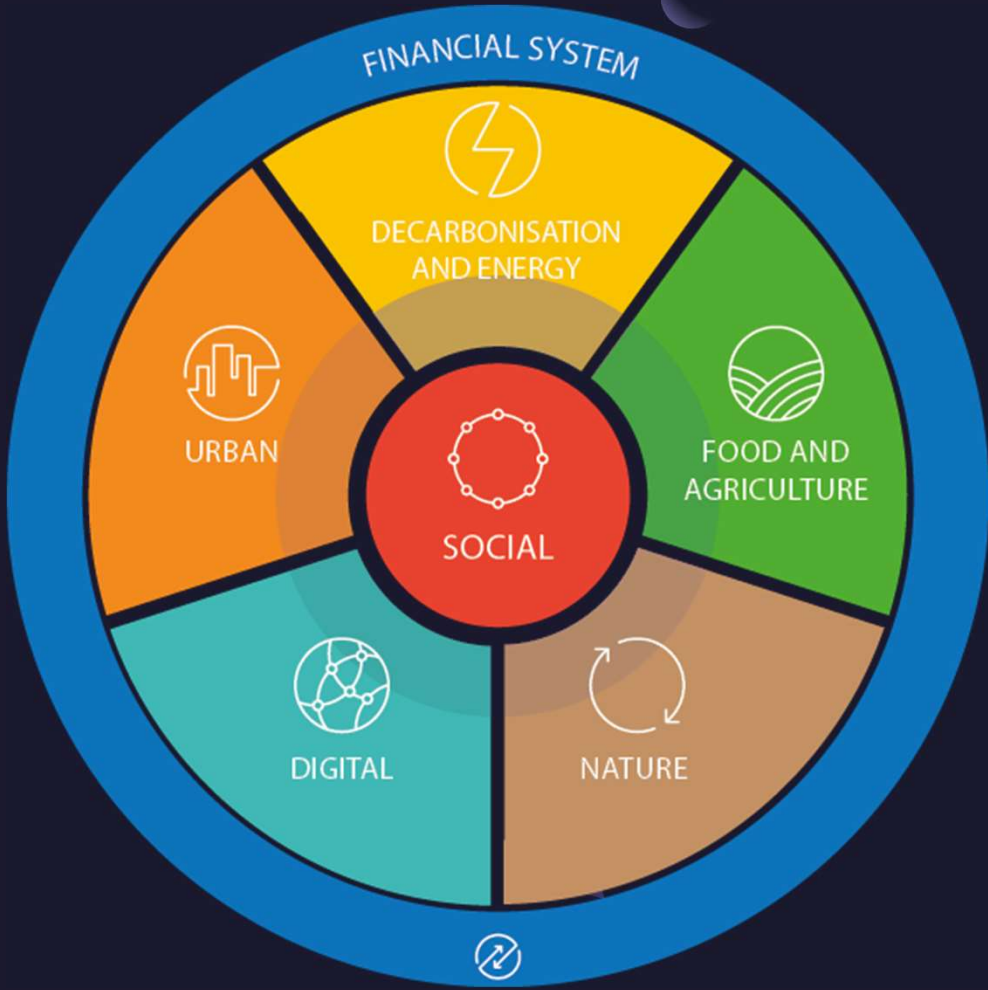
# Making global sustainable value chains more sustainable

- Enhance SMEs efforts to move up in global value chains for example by standardization and automation of low end value chain work
- Support sustainable solutions – also in financing them
- Building new markets using technology

# The role of business in systemic transformations

- Today businesses are sometimes more powerful on the international playing field than governments are.
- Business can play a key role in leading societal transformations by creating sustainable, inclusive and innovative solutions.
- They require roadmaps that are rooted in the pathways to sustainable futures.
- Industries and individual companies should benchmark how they stand in their journey towards a more sustainable future.

# Seven Systems Transformations



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