

Towards Exponential Growth In Barbados

Dialogue on policies and instruments to unleash
innovation

November 22nd and 23rd, 2018

Main takeaways

Support for entrepreneurship – conceptual framework

- **Start-ups** are temporal organizations that are experimenting with new products that will yield a product-market fit → they are **NOT SMEs**
- **Private sector investors** will be more willing to come in at earlier stages of start-up development when they can **rely** is a **strong eco-system of support for start-ups**.
- Building an **eco-system of support for start-ups** is a wicked problem that **requires acting on many fronts at the same time** → if one part of the eco-system is missing, the whole system fails.
- In an eco-system that supports start-ups, it is important to **align intermediaries' incentives** by rewarding them **with the results** of their action, and not by the inputs into the system.

Implications for Barbados

1. Distinguish the needs of:

1. needs-based entrepreneurs vis-à-vis opportunity-based entrepreneurs,
2. SMEs from dynamic start-ups

as these require very different instruments

2. Focus on building the eco-system → requires a culture of entrepreneurship, support for experimentation, pipeline of innovative ideas, availability of human capital, financing

3. Review incentives being offered to intermediary institutions, and mechanisms to track results

Ruta N

- Ruta N's main objective is to strengthen entrepreneurship and innovation in the city of Medellin, as a platform for growth and job creation
- Ruta N has very concrete results' indicators that guide its work, expressed by % of investment in R&D/GDP of the city, job creation, number of firms created, and R&D effort in firms, among others.
- Focused on 3 markets (not sectors) where they see potential for Medellin: energy, life sciences and ICT
- Focused on 3 topics: human talent, financing and platforms to support innovation and entrepreneurship.
- It's first activities focused on enhancing a culture for entrepreneurship that encouraged diverse thinking and cultivated open innovation

Ruta N – coordination and alignment

- Ruta N's mandate is to execute a 10-year development plan which was developed in a participatory manner with the private sector, academia and government of the city, and which establishes its expected results, a budget, and strategy
- Ruta N coordinates with other public sector bodies supporting economic development in the city by cross-directorship at different boards
- Ruta N works in partnership with the private sector, the government of the city of Medellin and academia. Of the 11 seats of its BOD, 8 are held by private sector, 1 by academia, 1 by director of Ruta N and 1 by the mayor of the city

Implications for Barbados

- Establishing clear milestones that guide the work of the eco-system of support for entrepreneurship and/or innovation
- Develop mechanisms for coordination and alignment of the work of different institutions involved in the eco-system
- Cultivate strong buy-in from the private sector for innovative activities
- Develop mechanisms that bring diversity into the entrepreneurial landscape – ideas and entrepreneurial initiatives from across the social and gender spectrum, as well as from abroad

Issues discussed at the Barbados tables

- Culture of entrepreneurship → Barbados is structure oriented, static, risk averse, reflected in scant equity finance
- Start from the objectives in mind → example from Medellin
- Many agencies, little alignment → can national entrepreneurship strategy help coordinate? Who leads?
- To strengthen the eco-system, the quality of intermediaries may need to be improved
- Scant knowledge available to entrepreneurs about existing support services
- Very positive → a lot of focus on how to mainstream entrepreneurship-related topics within secondary and university school system

Coordination and alignment – ideas from Barbados

- A very positive context → strong commitment from the highest levels of government on entrepreneurship and innovation as a way to move Barbados forward
- A directory could help reaching out to entrepreneurs with portfolio of support services
- Discussion of how strategic to be in terms of knowledge generation, given limited resources → choose sectors to focus on, like Ruta N
- Use real-time data to establish milestones for the eco-system, understand business innovation practices, and measure the maturity of the eco-system