

Towards Exponential Growth In Jamaica

Dialogue on policies and instruments to unleash
innovation

November 20th and 21st, 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 Jamaica

1. Distinguish support for SMEs from support for dynamic start-ups, which 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 Jamaica

- 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 Jamaica tables

- Scant support for the initial stages of entrepreneurship in Jamaica – the result is that investors come at a very late stage
- Concern about recognition of creative talent
- Intellectual property not capitalized upon – concern about the lack of awareness of commercialization/monetization opportunities
- Actors in the eco-system could be better aligned → DBJ in an excellent position to coordinate. How to make governance responsive to needs of the private sector?
- Open innovation could be widely used to stimulate a culture of entrepreneurship

Coordination and alignment – ideas from Jamaica

- Dedicated financing for entrepreneurship and innovation that is stable across administration
- Strong push for a culture of entrepreneurship
- Improve focus of each organization of the eco-system, and alignment between them
- Improve awareness in government agencies about the importance of entrepreneurship → planning must include a broad base of entrepreneurs → public-private dialogue is very important
- Seek ways to support potential dynamic entrepreneurs across all social strata and gender → connectivity important