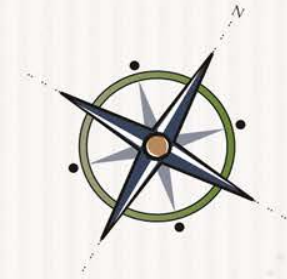


Organizational Excellence Specialists



The Entrepreneurial Ecosystem

Evaluating its effectiveness





Agenda

- Elements of the entrepreneurial ecosystem
- Why has the success rate been so low?
- What is needed to build a stronger system?
- A world class solution that will increase capacity to serve the entrepreneurial community



Elements of the Entrepreneurial Ecosystem

- Entrepreneurs
- Education system
- Market structure
- Infrastructure
- R&D system
- Financial sector
- Corporate sector
- Government



Global Entrepreneurship Index



GEI Building Blocks

Entrepreneurial attitudes	Opportunity perception, start-up skills, risk acceptance, networking, cultural support
Entrepreneurial abilities	Opportunity start-up, technology absorption, human capital, competition
Entrepreneurial aspirations	Product innovation, process innovation, high growth, internationalization, risk capital



Benchmarks

- Individuals who:
 - Recognize valuable business opportunities
 - Have the skills to exploit them
 - Attach high status to entrepreneurs
 - Can bear and handle start-up risks
 - Know other entrepreneurs personally
 - Can generate future entrepreneurial activities





Benchmarks

- Start-ups that:
 - Are in the medium/high technology sectors
 - Are initiated by educated entrepreneurs
 - Offer a unique product or service
 - Operate in an environment that is not overly competitive





Benchmarks

- Early state entrepreneurial effort to:
 - Introduce new product or service
 - Develop new production processes
 - Penetrate foreign markets
 - Substantially increase their company staff
 - Finance their business with formal and/or informal venture capital





Canada

Entrepreneurship	Pillars	Score
Attitudes	Opportunity perceptions	1.00
	Start-up skills	0.67
	Risk acceptance	0.80
	Networking	0.70
	Cultural support	0.83
Abilities	Opportunity start-up	0.80
	Technology absorption	0.68
	Human capital	0.98
	Competition	0.88
Aspirations	Product innovation	0.65
	Process innovation	0.73
	Internationalization	1.00
	Risk capital	0.99



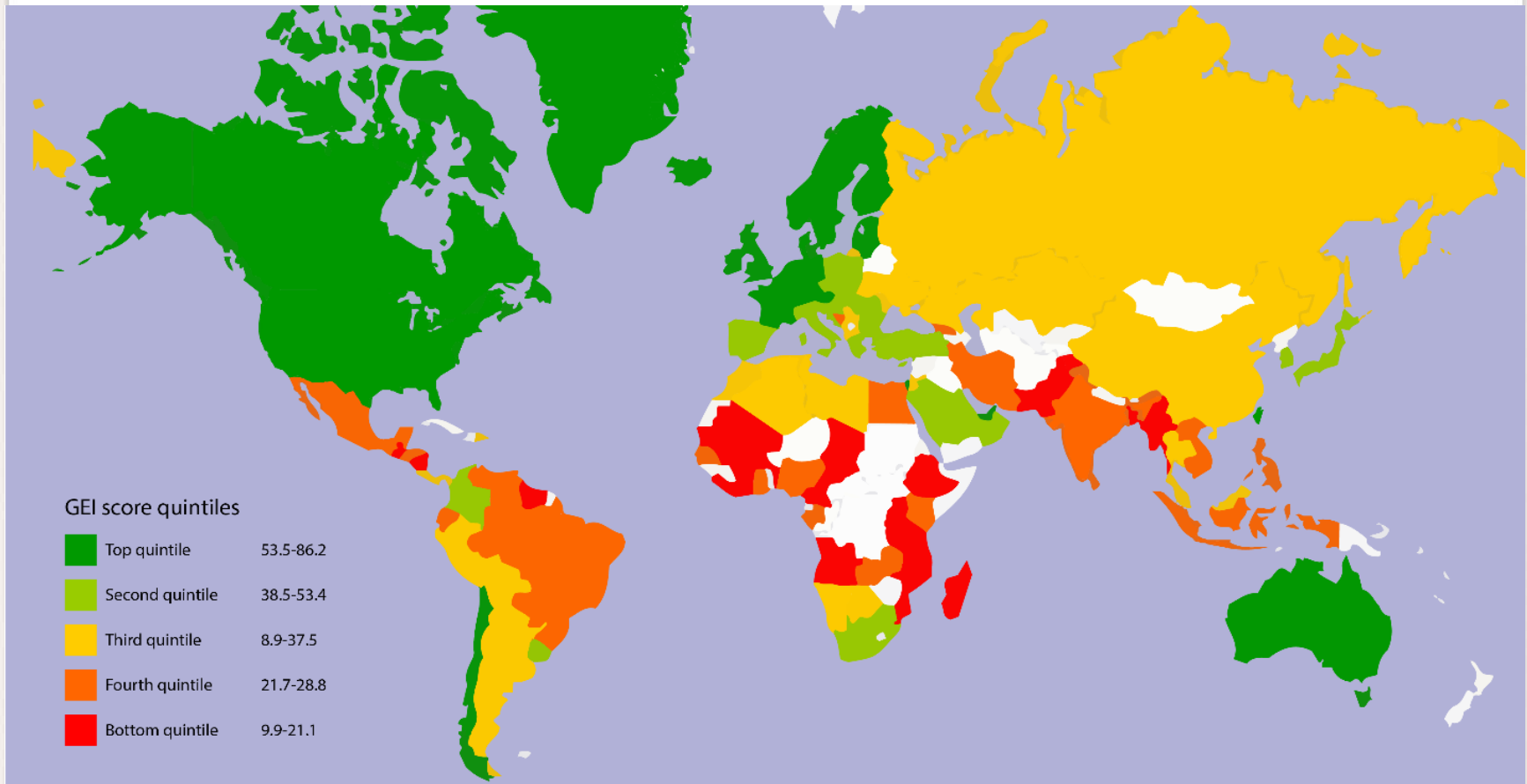
Global Entrepreneurship Index

Rank	Country	GEI
1	United States	86.2
2	Canada	79.5
3	Australia	78.0
4	Denmark	76.0
5	Sweden	75.9
6	Taiwan	69.7
7	Iceland	68.9
8	Switzerland	67.8
9	United Kingdom	67.7
10	France	66.4








2016 Global Entrepreneurship Index





GEI score quintiles

	Top quintile	53.5-86.2
	Second quintile	38.5-53.4
	Third quintile	8.9-37.5
	Fourth quintile	21.7-28.8
	Bottom quintile	9.9-21.1



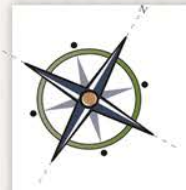
Why has the success rate been so low?





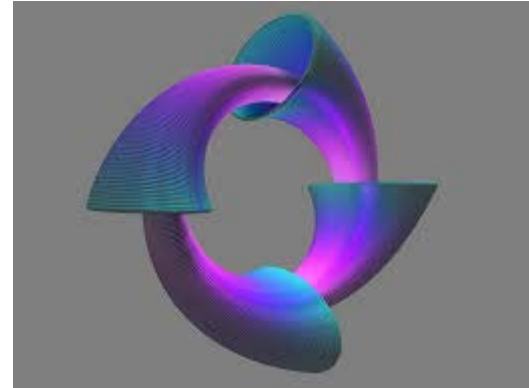
What is needed to build a stronger system?



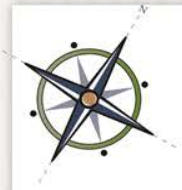


Product Development Process

1. Idea generation
2. Market research and analysis
3. Design and development
4. Testing and commercialization



The best companies develop and implement a systematic process of new product development (NPD) and use best practices

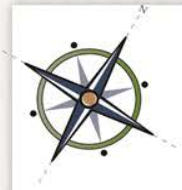


Best management practices in NPD

- Climate and culture:
 - Open communication among employees across functions or locations
 - Supports entrepreneurship and innovation
 - Product champions recognized and/or rewarded
 - Teams recognized and/or rewarded
 - No punishment for product failure
 - Employees understand process (idea to launch)
 - Business's climate is not risk adverse

(Source: Cooper, Edgett, and Kleinschmidt 2004)

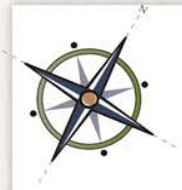




Best management practices in NPD

- Actions and programs to promote positive climate:
 - New product idea submissions rewarded or recognized
 - New product idea suggestion scheme in place
 - Resources available for creative work
 - Time off for creative work
 - Unofficial projects encouraged





Best management practices in NPD

- Senior Management practices, roles and commitment to NPD:
 - Leave day-to-day activities/decisions to project team
 - Strongly committed
 - Involved in the go/no-go decisions
 - Provide strong support and empowerment to team members
 - Understand process from idea to launch
 - Help design and shape the process
 - Measure overall results
 - Metrics part of annual objectives

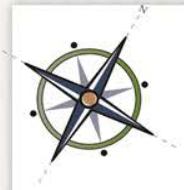




Best management practices in NPD

- Project team characteristics:
 - Identifiable project team leader
 - Assigned team of players
 - Team together from beginning to end of project
 - Leader from beginning to end of project
 - Team is cross-functional and cooperative
 - Information shared among members
 - Team is accountable for project's end result
 - Decisions made outside the team are efficient

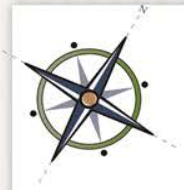




Best management practices in NPD

- NPD strategy:
 - Strategic arenas defined
 - Role of NPD in business goals
 - Long term commitment
 - Clearly defined NPD goals
 - Strategic buckets of resources
 - Roadmap in place

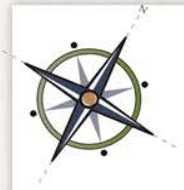




Best management practices in NPD

- Portfolio Management:
 - Projects align with business's strategy
 - Resource breakdown reflects business's strategy
 - Rank and prioritize projects
 - Good balance in number of projects and resources
 - Portfolio includes high value-to-the-business projects
 - Portfolio has excellent balance in types of projects
 - Formal and systematic portfolio management process

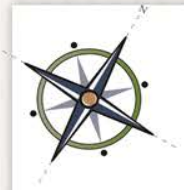




Best management practices in NPD

- Resource availability:
 - Have sufficient:
 - Sales force people and time
 - R&D / technical people and time
 - Manufacturing / operations people and time
 - Marketing people and time

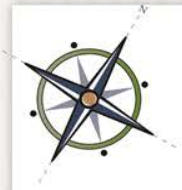




Best management practices in NPD

- Project team focus and dedicated resources:
 - Resources allocated based on project merit
 - An innovation (or NPD) team exists
 - Team is focused and not doing too much other work
 - Team is focused and not spread over too many projects
 - Adequate resources are assigned to projects

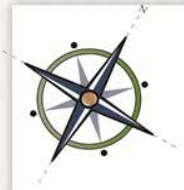




Best management practices in NPD

- Performance drivers – distinguishing high performing from low performing:
 - A systematic process
 - Quality of execution
 - Best practices built into the NPD process
 - Spending on up-front homework
 - Voice-of-customer information
 - Quality of market information on entering development
 - Sharp, early product definition
 - Competitive and product advantage



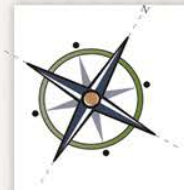


Popular Metrics

- Performance of program:
 - % of sales revenue from new products
 - % of growth in sales from new products
- Performance of product:
 - Profitability
 - Revenue versus forecasted revenue
 - Customer satisfaction

Some important metrics are missing ...

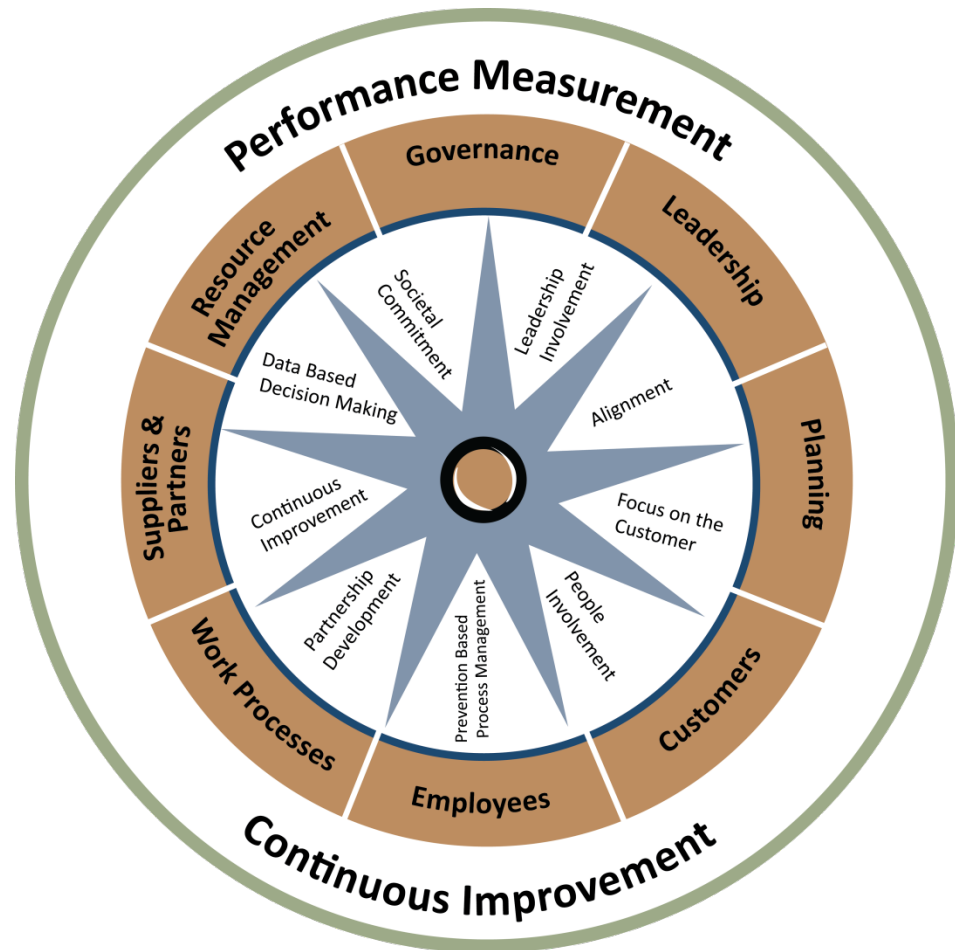


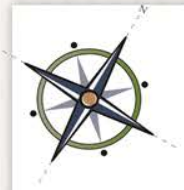


Guess what?

These practices have been validated by 'excellence models' over the past 25 years

The 'Organizational Excellence Framework' integrates global excellence models and provides implementation guidelines for the user





Malcolm Baldrige

- A study in the United States compared the benefits received by award winners from 2007 to 2010 with the cost of operating the program and reported a benefit-to-cost ratio of 820:1

(Source: Link, Scott, 2011)





EFQM

- A study examined award winners against comparison companies of similar size and industry sector over an 11 year period and found award winners experienced higher:
 - Increases in share value
 - Average growth in sales
 - Reduction in costs
 - Increases in operating income
 - Other accounting measures



(Source:Boulter, Bendell, Abas, Dahlgaard, Singhal, 2005)



Free Teaser Assessment - Principles

1. Leadership involvement
2. Alignment
3. Focus on the customer
4. People involvement
5. Prevention based process management
6. Partnership development
7. Continuous improvement
8. Data based decision making
9. Societal commitment

www.organizationalexcellencespecialists.ca



Guess what?

Global research tells us only 10% of the working population is familiar with excellence models

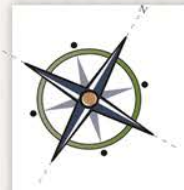




Guess what?



Global research tells us that North America is falling behind in benchmarking



Entrepreneurship Ecosystem

We live in a complex and dynamic world where everything is connected to everything else

We need a solid approach to assess, understand and manage complexity





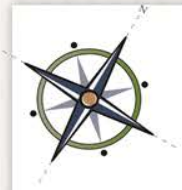
Evaluating the Entrepreneurial Ecosystem

- Examine each element with respect to inputs, activities, outputs and outcomes
- Design a measurement system to:
 - Evaluate levels and trends
 - Strive for continual improvement
 - Strengthen accountability
 - Communicate performance to stakeholders
 - Make informed decisions
 - Track performance internally
 - Compare performance with others



	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
Entrepreneurs	ideas, skills, risk tolerance, unique product, network	learning, planning, networking, focusing energy on targets, OE assessment	customer satisfaction, employee satisfaction, product / service quality, financial	self-sufficiency, sustainability, market presence, community improvement
Educational Institutions	experienced instructors, student enrollment	experiential learning, scientific research, industry collaboration, OE assessment	capable entrepreneurs, new technology	support for entrepreneurs, positive influence and impact on region
Small Business Development Centre	experienced advisors, funding sources, networks	evaluation, selection, advisory services, mentorship, OE assessment	capital raised, entrepreneurs trained, turnover, mergers & acquisitions, performance reporting	support for entrepreneurs, positive influence and impact on region

	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
Professionals	professionals, associations, excellence models	training, assessment, advisory services, benchmarking, OE assessment	robust management systems, balanced system of measurement	productivity, continual improvement
Government	start-up programs, grants, tax credits, regulations, legislation	program evaluation, OE assessment	taxes, GDP, innovation	economic resilience, spinoff activity
Investors	angels, investors, banking institutions	reviewing business opportunities, raising capital, providing loans, OE assessment	return on investment, return on equity	corporate social responsibility



World Class Solution

- Global perspective:
 - Understand and apply best management practices found in excellence models and engage in benchmarking
- State-of-the-art methods:
 - Use leading edge technology to rapidly assess, report, and benchmark
 - Offer support that is customizable for the organization
- Results for the entrepreneurial ecosystem:
 - Continuous Improvement
 - Desired outputs and outcomes
 - Spin-off benefits for community



Your Partner

- Organizational Excellence Specialists (Canada)
 - Integrated excellence model
 - Publication
 - Assessment tool
 - Training programs
 - Consulting services
 - Strategic alliances





Thank You !

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