THE EMERGENCE OF THE "MILLENNIPRENEUR"

2016 BNP PARIBAS GLOBAL ENTREPRENEUR REPORT

scorpiopartnership
what wealth needs next

BNP PARIBAS
WEALTH MANAGEMENT

The bank
for a changing
world

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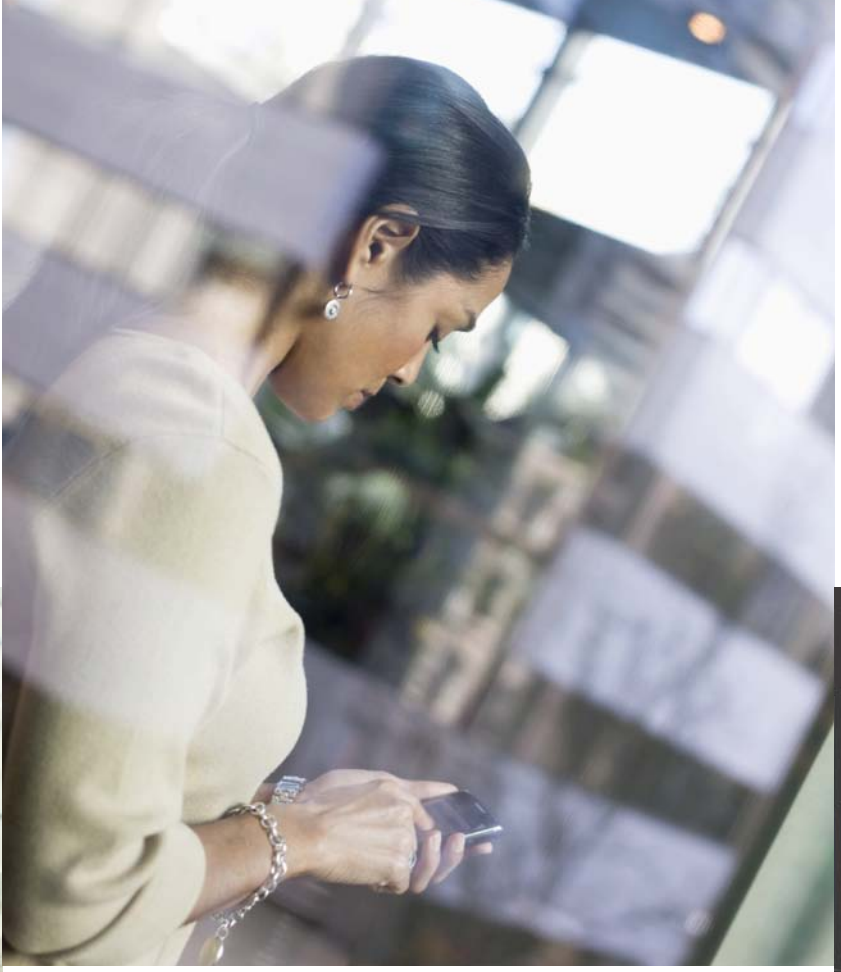

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KEY FINDINGS

THE WORLD'S ENTREPRENEURIAL HOTSPOTS

The USA, China and Germany have been voted **top locations for setting up a business.**

- **The USA, China and Germany** have been voted by over 2,500 successful high net worth (HNW) and ultra-high net worth (UHNW) entrepreneurs as the **top locations for setting up a business.**
- **Entrepreneurs in China, India and Turkey** had the **best year in terms of increased profits** relative to all countries surveyed. Approximately two thirds of successful HNW and UHNW entrepreneurs in those countries remarked that their company profits had increased. These same three countries have the highest level of positive expectations for the coming year.
- **Entrepreneurs in Turkey** have the **highest gross profit margin expectations** for the coming year in their businesses **at an average of 40.8%.** In the top three, they are joined by **the UK (37.4%) and the USA (34.9%).**

The countries with the lowest target profit expectations this year are Singapore (20.9%), Italy (22.2%) and the Gulf Countries (22.8%).

- **The countries with potentially the highest propensity to have first generation entrepreneurs** (those without a family history in business) are **Germany, the Netherlands, Switzerland and the UK.**
- **Gulf Countries' entrepreneurs** are most likely to **start at the youngest age at an average age of 26.1 years**, while American entrepreneurs are most likely to start the latest at an average age of 34.9 years.

MEET THE MILLENNIPRENEUR

- The ***Millennipreneur*** is an individual active in entrepreneurialism from the millennial generation **(born between 1980 and 1995)**. This generation's approach to business is showing a number of characteristics around **leadership, focus, ambitions and results** compared to other generations.
- **78% of highly successful millennial entrepreneurs have a family history in business.** The majority of these entrepreneurs' most influential family members are their parents. Notably, many of these parents are from the Baby Boomer generation and have run successful enterprises of their own.
- On average the **annual turnover of businesses** run by millennials **outperform by 43% those by baby boomers.** While the **average target gross profit margins** of millennials stands at **32.6%**. This compares to 27.5% for companies led by baby boomers.
- The industries in which Millienniprenеurs have thrived are not that different from those of older generations. The Millennipreneur is not exclusively focused on dotcom operations – far from it. Interestingly, however, the **future industry hotspots of Millennipreneurs includes Financial Services, Social Media and eCommerce.**
- The average target profit margin of female entrepreneurs this year is 30.8%. Women in business in Turkey have a target profit margin expectation this year of 43%. Nearly **three quarters of millennial generation female entrepreneurs anticipate that their profit levels will rise in the next year and their gross margin expectation is 34.9%.**

USD **5.6** BILLION
TOTAL INVESTABLE WEALTH OF MILLENNIALS SURVEYED.

On average, the **annual turnover of businesses** run by millennials **outperform by 43% those led by baby boomers.**

THE SIGNIFICANCE OF WOMEN ENTREPRENEURS

USD 5.96 BILLION
TOTAL TURNOVER OF COMPANIES LED BY FEMALE ENTREPREURS SURVEYED.

The **average turnover of businesses** run by female entrepreneurs (USD7.1M) is **13% higher than the average managed by male entrepreneurs.**

- Overall, the results suggest that **female entrepreneurs** in fact are **more ambitious** and, arguably, **more successful** in relative terms to their male peers. The **average turnover of businesses** run by female entrepreneurs (USD7.1M) is 13% **higher than the average managed by male entrepreneurs. 61% expect their businesses profits to increase in the next 12 months.**
- The research indicates that **Poland, Spain and China are the three markets with the highest level of activity among successful female business entrepreneurs.** The three markets with the lowest relative level of activity are Turkey, the Netherlands and Taiwan although it is interesting to note that Turkey's women entrepreneurs have the highest profit margin expectations for this year at 43%.
- **Swiss, German and Belgian women entrepreneurs are the most likely to be first generation entrepreneurs with no history of business ownership in their family**. A leading influence is to draw on the input of other entrepreneurs as 44% of women indicated that advice from other business owners was one of their three key resources for decision making.
- **The preferred source of funding is personal savings at 43%,** followed by **bank loans at 21% and personal loans from family or friends at 17%.**
- The **top three industries** for women entrepreneurs today are **retail, professional services (such as consulting, accounting and law) and fashion**. **Looking to the future** the most popular industries to switch focus to are, **eCommerce, travel, hospitality & leisure, and social media.**

THE INVESTMENT PLANS OF ENTREPRENEURS

- Overall, entrepreneurs as an investor group appear to have **increased the volume of their investment globally by 12% in the past 12 months**. This may reflect the good year that many of their businesses have had.
- In 2015 the world's most successful entrepreneurs have **increased their investment weightings favouring opportunities outside their home market.** Compared to the previous year, the home market bias remains in every market except the Middle East; there is a clear search for opportunities elsewhere.
- **The market regions with the largest relative growth in investment fund flows from entrepreneurs have been Japan, Latin America and Africa.** On average, entrepreneurs have invested USD2.2M of their wealth in Africa to date.
- **One fifth of an entrepreneur's total current investable wealth is linked directly to their business.** Successful entrepreneurs also hold, on average, 15% of their total wealth in cash. In the Gulf Countries this cash weighting rises to 32%. The country with second largest cash weighting is Poland at 24.8%.
- On average, **51% of a successful entrepreneur's total wealth is invested in illiquid assets.** Entrepreneurs in **Spain, the Netherlands, France and Italy** have the **top weightings toward illiquid assets.** Entrepreneurs in Taiwan, Hong Kong and Singapore have the most relatively liquid portfolios.

Overall, entrepreneurs as an investor group appear to have **increased the volume of their investment globally by 12% in the past 12 months.**

WELCOME

TO OUR SECOND ANNUAL BNP PARIBAS GLOBAL ENTREPRENEUR REPORT IN ASSOCIATION WITH SCORPIO PARTNERSHIP

Since its inception, the vision of these series of BNP Paribas report has been to provide a definitive global tracking of the evolving profile, hopes and dreams of the world's most successful entrepreneurs and their wealth creation ambitions.

As a refresher, in last year's report we focused on tracing the diverse paths of entrepreneurialism and focused on the business owners' approach to success. What was very marked was the sense among entrepreneurs that their efforts were not simply for personal gain but for much broader ambitions both for their country and wider society.

Ultimately, our observations highlighted that entrepreneurial individuals drive global wealth creation, often singlehandedly, in a way that is totally distinct from the rest of the population. Successful entrepreneurs appear to possess a relentless drive to source and pursue new opportunities. They will not hesitate to step into the unknown to pursue success.

Put simply, in our first year we were able to provide evidence on just how remarkable these individuals are.

With this setting, in our second year of research we have focused on how the lives of successful entrepreneurs have developed over the past 12 months. We have also given special attention to two entrepreneurial profiles which we believe will have a major influence in the years to come.

The first profile is the generation of entrepreneurs that are currently under 35 years of age. In our view, those individuals in this age group are a new type of business leader and while they have drawn upon the influences of their older generations, their successes at a relatively early age mark them out for even further greatness. We have labelled these business owners the **Millennipreneurs** and their approach to success is fascinating.

The second profile is the woman entrepreneur. While all entrepreneurs possess a strong pioneering spirit, in our opinion successful female entrepreneurs are particularly driven by the added dimension of, in many instances, breaking down social and economic barriers that had previously been considered impassable by women. With this backdrop, in our report this year we look at their approach to business much more closely and the core influences on their actions.

Aside from these two profiles, this year we have examined the entrepreneurs' approach to the management of their personal wealth. We have also identified which parts of the globe and which industries appear to be their favourites. In our opinion, tracking their actions, given the successes to date, is a useful guide for us all.

None of this assessment would have been possible without the contribution of the entrepreneurs themselves. Our sample population of 2,594 entrepreneurs have been specially selected on the basis of the attainment of a status of being successful entrepreneurs. Of this total sample, 883 were female entrepreneurs.

While the definition of success can be a subjective one, it is critical to the importance of the assessment and findings of this report. For this research process we have focused on listening to business leaders that possess a combination of high levels of personal wealth and also lead businesses with high levels of annual corporate revenue.

This year the participants' average turnover of companies controlled by these individuals stood at USD6.5M. The participating individuals also held an average net worth of USD6.6m, excluding the value that they have embedded in their primary residence. Notably, 666 (26%) of participants were in the UHNW wealth category*.

Gathering the wisdom drawn from such a group of individuals is a privilege. We hope that through your own reading of this report you will agree with us that these individuals and their achievements are an inspiration. We also hope that by reflecting on their actions and plans we will be able to provide you with the signposts necessary to chart your own personal success.

* HNW is defined as individuals with net investable assets in excess of USD1 million but less than USD10 million in net investable assets. UHNW is defined as individuals with net investable assets of USD10M or more.

2,594 GLOBAL ENTREPRENEURS

GENDER

66% MALES

34% FEMALES

WEALTH

AVERAGE NET WORTH

USD6.6 MILLION

AGE

<35 yrs 32%

35-49 yrs 37%

>49 yrs 31%

REGION

14% USA

47% EUROPE

32% APAC

7% Rest of the world

TURNOVER

TOTAL ANNUAL TURNOVER OF ENTREPRENEURIAL HOLDINGS

USD16.3 BILLION

WEALTH

TOTAL WEALTH

USD17.1 BILLION

MILLENNIALS

837

TOTAL MILLENNIPRENEURS (<35 YRS)

TURNOVER

TOTAL TURNOVER OF COMPANIES LED BY FEMALE ENTREPRENEURS SURVEYED

USD5.96 BILLION

EMPLOYEES

203,573

TOTAL EMPLOYEES AMONG THE SURVEYED ENTREPRENEURS' BUSINESSES

MILLENNIALS

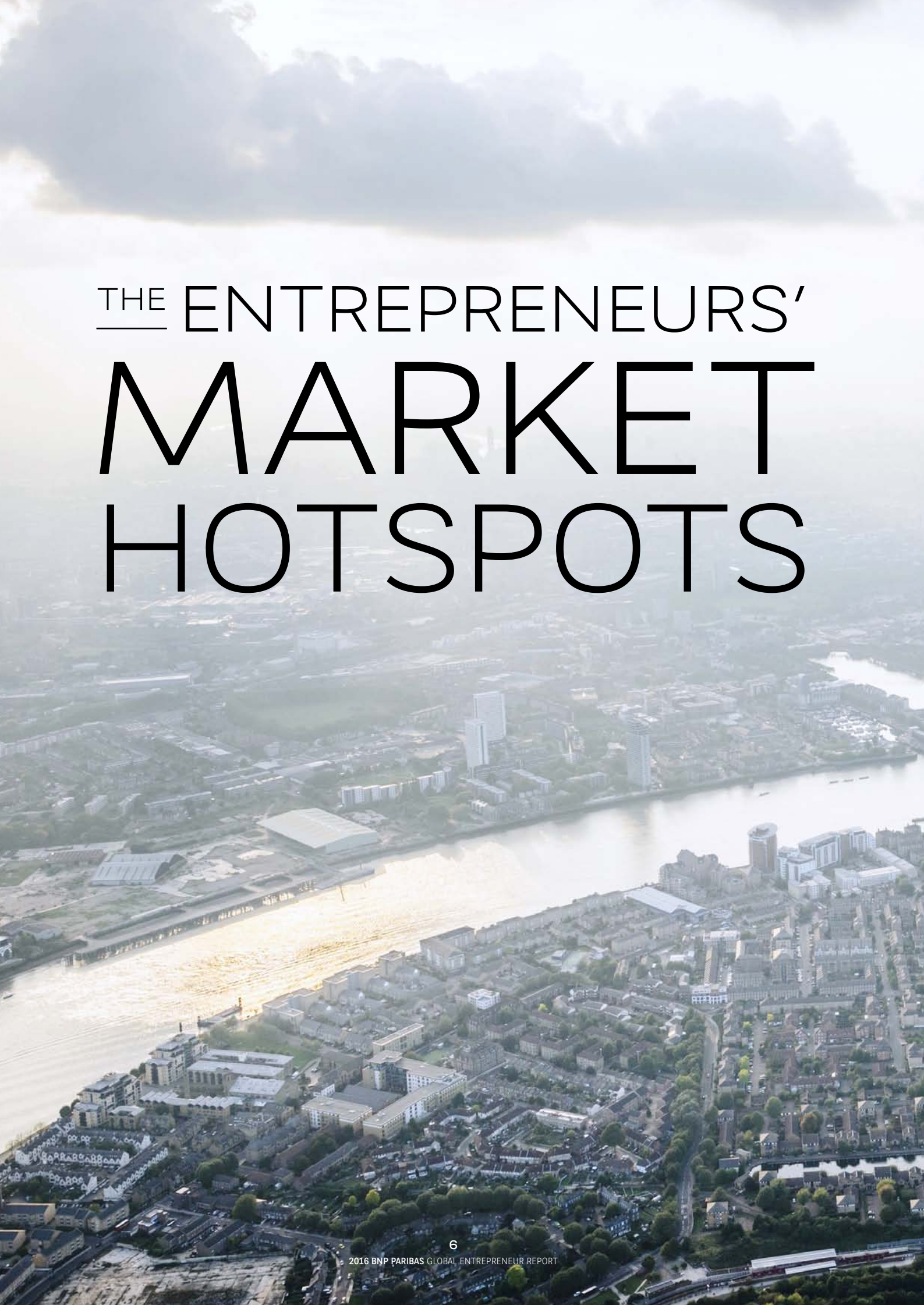
TOTAL INVESTABLE WEALTH OF MILLENNIPRENEURS SURVEYED

USD5.6 BILLION

KEY PROFILE FACTS OF THE 2016 BNP PARIBAS GLOBAL ENTREPRENEUR REPORT

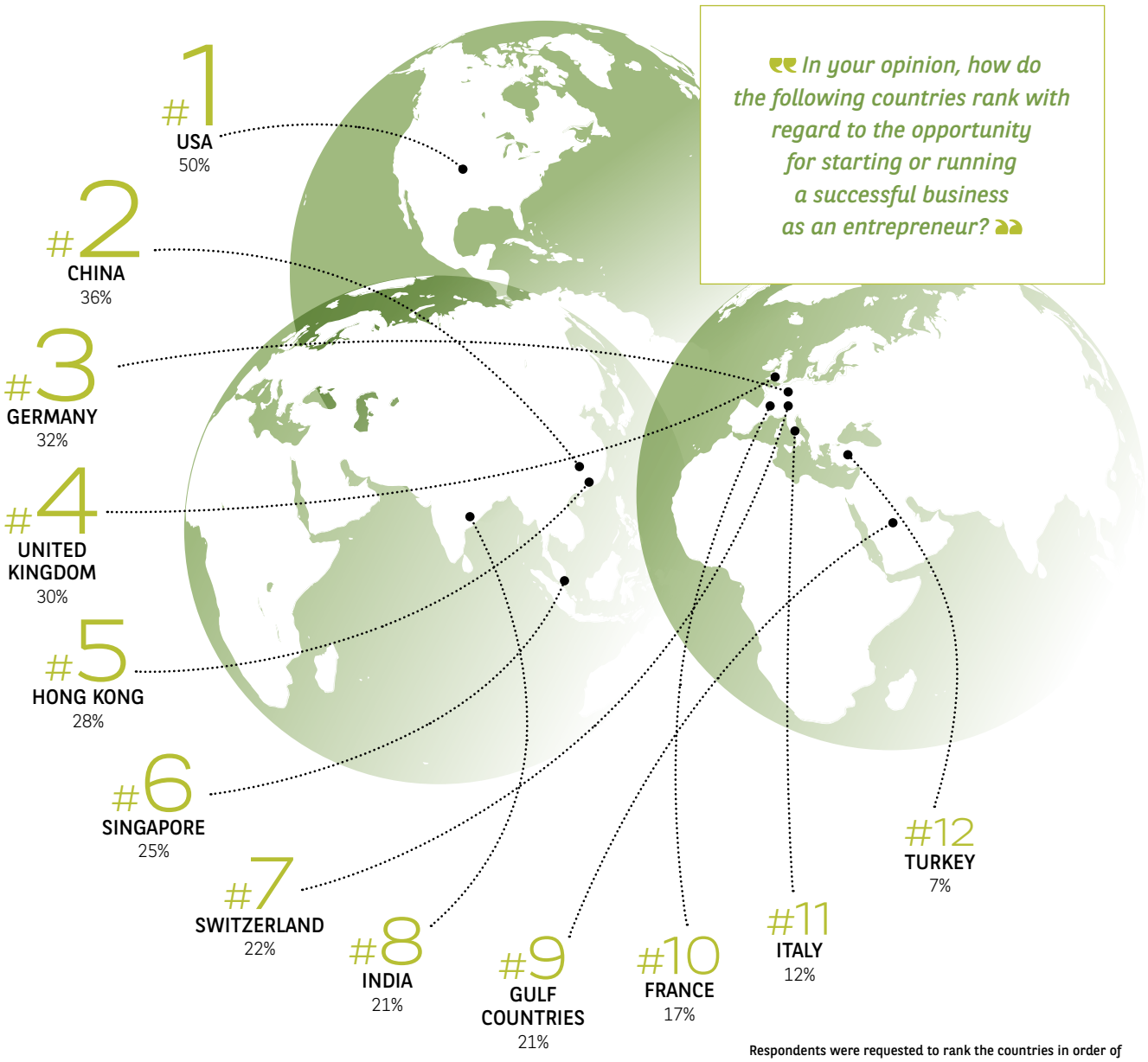
Source: Scorpio Partnership, BNP Paribas.

THE ENTREPRENEURS' MARKET HOTSPOTS



THE GLOBAL HOTSPOTS

FOR ENTREPRENEURIALISM IN 2016



Respondents were requested to rank the countries in order of preference. The results above reflect the aggregate scoring for countries nominated in ranking position of either 1st, 2nd or 3rd.
Note 1: Based on the responses of 2,594 entrepreneurs.

THE ENTREPRENEURS' CHOICE – THE 2016 GLOBAL HOTSPOTS FOR BUSINESS OWNERSHIP

Source: Scorpio Partnership, BNP Paribas

A long-term purpose of the **BNP Paribas Global Entrepreneur Report** is to identify trends for active entrepreneurs and non-entrepreneurs alike as well as spotlight countries that are considered by business owners as positive environments for entrepreneurialism now and in the future. This tracking offers a useful guide for all those that are interested in participating in the entrepreneurial landscape.

In support of this purpose, last year our report presented the Global Entrepreneurial Wealth Creation Index (GEWCI). This examined a range of factors that were determined by entrepreneurs to have an impact on their ability to thrive as business owners and wealth creators in any given country. We have continued this approach of study of the world of entrepreneurialism in 2015.

Alongside this factor-based assessment, which is covered later in Section One, this year the research also asked the world's successful entrepreneurs to simply rank the countries which they consider to present the best opportunity for starting and running a successful business. In essence, this selection reflects an entrepreneurial ***"free vote"*** of confidence in specific economies.

The results spotlight the significant strength of appeal for the USA as the lead location for entrepreneurial activity perceived by the world's entrepreneurs. America's reputation as a crucible for a breadth of entrepreneurial opportunity still appears to run deep in the minds of business owners across the globe.

While the rising appeal of China is noteworthy, the positioning of several nations that are relative minnows in terms of global economic strength (namely Hong Kong, Singapore and Switzerland) hint that for a successful entrepreneur size is not everything.

"In your opinion, how do the following countries rank with regard to the opportunity for starting or running a successful business as an entrepreneur?"

Respondents were requested to rank the countries in order of preference.
Note 1: **The results reflect the business location of the respondent when scoring for countries nominated in ranking position of either 1st, 2nd or 3rd in order to identify the degree of home bias.**
Note 2: **The list of countries offered to respondents were the top 12 countries in the 2014 Global Entrepreneurialism Wealth Creation Index, and as such the analysis above only incorporates respondents who also had their primary business activity in one of the 12 countries.**

Country of business location

Country selected as a top 3 location for future entrepreneurialism

	USA	CHINA	INDIA	GERMANY	UNITED KINGDOM	HONG KONG	SINGAPORE	GULF COUNTRIES	SWITZERLAND	FRANCE	ITALY	TURKEY
USA	91%	50%	45%	41%	52%	33%	44%	32%	24%	46%	34%	41%
CHINA	28%	67%	28%	12%	28%	57%	60%	35%	29%	35%	6%	25%
INDIA	15%	17%	69%	7%	18%	23%	17%	14%	9%	18%	17%	19%
GERMANY	27%	26%	16%	77%	31%	11%	11%	35%	54%	30%	38%	37%
UNITED KINGDOM	37%	18%	34%	30%	75%	14%	17%	30%	11%	29%	29%	18%
HONG KONG	28%	38%	20%	15%	19%	69%	48%	27%	12%	27%	26%	22%
SINGAPORE	21%	25%	31%	16%	21%	51%	61%	29%	17%	21%	24%	12%
GULF COUNTRIES	11%	16%	22%	12%	14%	19%	9%	49%	28%	20%	28%	25%
SWITZERLAND	19%	13%	13%	44%	11%	11%	19%	19%	80%	18%	36%	22%
FRANCE	11%	15%	12%	29%	16%	7%	5%	13%	22%	36%	16%	17%
ITALY	11%	7%	5%	15%	10%	2%	5%	14%	14%	13%	37%	17%
TURKEY	2%	7%	6%	3%	4%	3%	2%	3%	0%	7%	10%	47%

ASSESSING THE ENTREPRENEURIAL HOME BIAS IN FUTURE HOTSPOTS

Source: Scorpio Partnership, BNP Paribas

The ranking, based on perceptions of entrepreneurs, only tells part of the story of the opinions of the world's leading entrepreneurs.

When the responses are considered relative to the potentially inevitable home country bias for the entrepreneurs a fascinating picture emerges. For example, looking beyond the home bias, USA-based entrepreneurs identify the UK, China, Hong Kong and Germany as key destinations for entrepreneurialism. Meanwhile, next to the USA, Swiss entrepreneurs are the most committed to their home market as a chosen base of future opportunity.

Interestingly, a number of countries do not even have a strong home bias in their response to the "free vote". French entrepreneurs, for instance, nominate the USA significantly above their home market. Meanwhile, Italian and Singaporean entrepreneurs are in the balance between choosing their homeland over neighbouring giants as the best choice for future entrepreneurialism. For Singapore, their eyes are drawn to China, while for Italy they look north to Germany.

Ultimately, these results are simply a snapshot of location preferences among the world's most successful entrepreneurs. The reasons behind their choices are inevitably based on a range of conditions that affect their ability to do business. Issues such as trade laws, funding, expertise and regulation through to innovation, labour costs, political stability and tax all play a part.

When digging deeper into these conditional issues it is interesting to see how the preferences play out. The perception among entrepreneurs is that the USA tops the charts across most of the critical business attributes. An exception to this is with labour costs where it is behind both China and India. The USA was also pipped to top spot in the field of taxation by Switzerland.

Ultimately, among the top three nations in each business, condition factor a shortlist of countries begin to emerge. These are essentially perceived by successful business owners as the best places for the practice of entrepreneurialism. These include the USA, China, Germany, Switzerland, UK, Singapore and Hong Kong – all of whom have multiple entries in the top three.

What is important to take account of, however, is that these are perceptions of the entrepreneurs regarding where it might be best to be an active entrepreneur in the future based on relatively simplistic macro-market factors. When focusing more on the current state of play in each market with respect to the realities of the entrepreneurial environment on the ground in each country and at a more personal level then noteworthy differences emerge.

"Which country comes to mind as the best example of an entrepreneurial environment for each of these factors?"

	#1	#2	#3
Innovation	USA	CHINA GERMANY	HONG KONG
Cost of labour	CHINA	INDIA	USA
Industry expertise	USA	GERMANY	CHINA
Tax environment	SWITZERLAND	USA	HONG KONG
Regulatory environment	USA	GERMANY	SWITZERLAND UK
Political stability	USA	GERMANY	SWITZERLAND
Economic policy	USA	GERMANY	SINGAPORE UK
Trade laws	USA	UK	GERMANY SINGAPORE SWITZERLAND
Access to funding	USA	CHINA	GULF COUNTRIES SWITZERLAND UK

THE ENTREPRENEURS TOP COUNTRIES FOR KEY ATTRIBUTES TO DOING BUSINESS

Respondents were requested to rank the countries in order of preference.
Note 1: The results above reflect the top 3 countries in each attribute.
Note 2: Multiple countries in a ranking are due to equal results in the responses. They are listed alphabetically.
Source: Scorpio Partnership, BNP Paribas.

ASSESSING THE HEATMAP

OF THE ENTREPRENEURIAL ECOSYSTEMS

The potential for a country to be a strong centre of entrepreneurial activity is based on a broad range of factors. The macro-market issues are inevitably extremely relevant. However, as important in our opinion are factors that are closer to home for each individual entrepreneur.

For instance, the insight provided by our surveyed entrepreneurs underscores the openness of a population to embracing entrepreneurialism early and the influence (or absence) of family as factors for success. Equally, the successes of others – either in terms of the scale of their businesses or their own personal achievements – is a strong motivator for new entrepreneurs to follow in their footsteps.

Ultimately, entrepreneurs interviewed in this research emphasised that the entrepreneurial culture, commercial activity and individual optimism of business leaders in each market place are major influences for entrepreneurs' to thrive. Within this context, the **2016 Global Entrepreneurial Wealth Creation Heatmap** seeks to help identify which attributes of entrepreneurialism are strongest and weakest in each market of assessment.

Such insight offers a special window on to which markets are most engaged with the spirit and practice of independent business ownership. Arguably, it offers early indicators of which markets will become stronger centres of entrepreneurialism in the future. Contrasts emerge in the market landscape across the 12 factors of the Global Entrepreneurial Wealth Creation Heatmap when considered alongside the "free vote" of entrepreneurs.

The heatmap is more focused on the actions of the entrepreneurs rather than their opinion. Based on the results one might be inclined to spotlight the economies of India, Turkey and Spain as future centres of entrepreneurialism. For example, one of the main factors behind this is that, alongside China, all three

countries had the largest portion of entrepreneurs anticipating profit growth in the next year.

Overall, the Heatmap offers a relative positioning of countries by their performance in each of the 12 factors that have been deemed as crucial by entrepreneurs in their ability to thrive. Based on the research inputs, this year the three emerging market powerhouses of China, Turkey and India are the lead centres of entrepreneurialism.

There are also other countries that have individual high notes that merit attention. For instance, the Gulf Countries' entrepreneurs are currently the earliest starters. Equally, Germany, the Netherlands and Switzerland appear to have the largest population of first generation entrepreneurs while Belgian entrepreneurs are among the wealthiest on average alongside those from Luxembourg.

Ultimately, the results can be interpreted in many ways depending on perspective. All the data offers fascinating talking points about market opportunity. Indeed, a heatmap is intended to stimulate debate and through such debate decisions can be made.

THE 2016 GLOBAL ENTREPRENEURIAL WEALTH CREATION HEATMAP

	BELGIUM	CHINA	FRANCE	GULF COUNTRIES	GERMANY	HONG KONG	INDIA
Age when considering to start business	30.6	27.8	30.5	23.9	30.6	28.0	30.3
Age when starting a business	32.3	28.3	33.9	26.1	31.5	29.6	29.7
History of entrepreneurialism in the family	53.2%	74.1%	53.8%	69.8%	36.6%	62.6%	75.5%
Proportion of total wealth in business assets	10.2%	22.2%	17.6%	23.0%	23.6%	18.2%	22.7%
Average turnover of primary business (USDM)	$7.2	$8.7	$7.6	$1.2	$9.1	$5.1	$6.3
Average number of companies started	6.7	5.5	7.1	1.2	5.6	6.4	8.4
Average current worth (USDM)	$8.6	$8.2	$7.2	$2.3	$8.0	$5.7	$6.0
Expected 2015 gross profit margin	24.2%	31.1%	31.3%	22.8%	33.9%	24.1%	28.2%
Average global investments (USDM)	$2.0	$2.3	$2.1	$2.5	$1.4	$1.7	$2.1
Corporate social responsibility importance (out of 10)	5.1	6.3	5.7	7.2	6.8	4.3	5.9
Last 12 month performance (% indicating that their profits have risen)	30.9%	68.8%	50.5%	39.7%	56.3%	41.8%	68.2%
Future 12 month performance (% expecting their profits to increase)	35.1%	73.3%	48.8%	65.1%	58.0%	48.4%	79.5%

The map below is based on the input of entrepreneurs in a survey conducted by Scorpio Partnership during Q3 2015.
Note 1: Countries organised alphabetically.
Note 2: Datapoints based upon the responses and results analysis of 2,594 HNW & UHNW entrepreneurs across markets.
Note 3: Factor explanations of the Global Entrepreneurial Wealth Creation Heatmap at the end of the report.

Source: Scorpio Partnership, BNP Paribas.

ITALY	LUXEMBOURG	NETHERLANDS	POLAND	SINGAPORE	SPAIN	SWITZERLAND	TAIWAN	TURKEY	UNITED KINGDOM	USA
27.8	28.9	31.0	30.6	28.7	27.6	28.1	30.5	29.0	31.7	31.3
29.7	29.1	32.4	30.0	30.5	29.7	32.0	30.2	30.3	33.4	34.9
67.0%	62.5%	45.2%	78.0%	61.2%	65.4%	46.1%	69.8%	90.2%	49.1%	52.8%
16.8%	18.6%	25.2%	24.9%	18.3%	32.2%	19.5%	18.8%	15.8%	22.2%	20.6%
$7.1	$9.2	$6.9	$7.1	$5.7	$8.5	$6.8	$9.5	$7.1	$5.3	$4.0
6.0	4.0	9.4	3.8	4.6	4.5	4.3	3.8	8.9	5.4	4.6
$6.9	$9.2	$8.3	$5.6	$6.0	$7.1	$6.7	$8.1	$6.9	$6.1	$5.2
22.2%	30.8%	32.2%	30.8%	20.9%	28.5%	23.8%	24.2%	40.8%	37.4%	34.9%
$1.6	$2.2	$1.5	$1.0	$1.5	$1.3	$1.7	$2.2	$2.3	$1.5	$1.2
5.4	6.6	4.5	3.5	4.8	5.5	7.1	5.2	5.5	4.6	4.5
35.0%	33.3%	54.8%	56.0%	41.8%	38.5%	46.1%	45.3%	61.8%	52.2%	47.2%
56.3%	45.8%	54.8%	44.0%	43.9%	73.1%	50.0%	47.2%	73.5%	52.8%	50.8%

SCALE

COUNTRY FOCUS

Crucially, in terms of key highlights from the Global Entrepreneurial Wealth Creation Heatmap the following are noteworthy issues for each country this year in relation to the entrepreneurial wealth creation environment.

USA

USA-based entrepreneurs are in the balance in relation to a family history driving them to move down the path of entrepreneurialism. It is almost just as likely in the USA that the entrepreneur will be a first generation success story. Indeed, 52.8% of successful entrepreneurs today have a family history in the field. Notably, US entrepreneurs are among the latecomers to kick off their independent business interests with the average starting age for entrepreneurialism being the oldest (34.9 years) of all the peers that participated. Interestingly, the average company turnover of US entrepreneurs surveyed stands at USD4.0M was which was also among the lowest of all participants although **the target profit margins for the coming year at 34.9% was among the most bullish compared to peers.**

GULF COUNTRIES

Gulf Countries' entrepreneurs appear to be the most likely to start out at a very young age. Indeed, compared with the other countries assessed, **individual in the Gulf Countries will think about becoming a business owner over three years earlier (at 23.9 years on average) and they will launch their first business almost two years earlier (at 26.1 years on average) than others.** The enthusiasm of entrepreneurialism carries over into their growth optimism with 65.1% of local entrepreneurs expecting a rise in profits in the coming year. Notably, however, this positive expectation is in check in terms of their target profit margins in the next 12 months which are the most modest of all entrepreneurs surveyed at 22.8%.

INDIA

India's entrepreneurial profile appears to be highly influenced by family with 75.5% of India's successful entrepreneurs having a family history in business ownership. This is similar to other emerging markets including China, Turkey and Poland. **The Indian entrepreneur is among the most active in terms of starting new companies with an average of 8.4 companies per entrepreneur** and their business interests as a proportion of their total wealth is among the largest at an average of 22.7% overall. Interestingly, Indian entrepreneurs are the most optimistic in the coming 12 months with 79.5% expecting their businesses to register profit increases and they are targeting a gross profit margin of, on average, 28.2%.

CHINA

China is evidently a powerhouse of the entrepreneurial landscape with a higher average level compared to many peers. **The nation has one of the earliest average ages for starting a first enterprise at 28.3 years old.** Equally, the influence of family still runs deep with successful Chinese entrepreneurs as nearly three quarters (74.1%) cite a family legacy of business ownership. In the last 12 months Chinese entrepreneurs had a good year with 68.8% experiencing a rise in profits. Given recent challenges it will be interesting to determine how they fare in the coming 12 months although 73.3% expect continued profit growth.

HONG KONG

Hong Kong-based entrepreneurs appear this year to hold a cautiously optimistic outlook for the next 12 months in relation to their businesses. Almost one in every two (48.4%) entrepreneurs expect a profit level increase in the coming year. However, their average gross profit margin expectation is at 24.1%, which is one of the lowest among the countries assessed in this year's research process. However, **Hong Kong must still be regarded as a community that pulses with entrepreneurialism as the average age of starting a business (29.6 years) is among the youngest examined and the average number of companies started is a very solid 6.4.**

SINGAPORE

Singapore's entrepreneurs appear to be the most cautious relative to their peers regarding their corporate margins in the coming 12 months with the lowest expectation at 20.9%. It appears also the Singaporean entrepreneurs have had a tougher year relative to peers with only 41.8% noting a rise in profits. This experience has resulted in a reserved outlook for the year ahead with nearly a similar portion (43.9%) anticipating a rise in profits.

TAIWAN

Taiwan-based successful entrepreneurs are among the most financially wealthy with an average net worth of USD8.1M. Alongside this their average company turnover is among the highest at USD9.5M. However, last year appears to have been tough with the majority (54.7%) not experiencing a profit rise. This experience appears to be carrying over into their future outlook. Less than half (47.2%) have a bullish view on the year ahead and their overall target gross profit margin (24.2%) is among the lowest.

COUNTRY FOCUS

ITALY

Italy's entrepreneurial enthusiasm appears to start among the earliest across Europe, second only to Spain. The average age when a successful entrepreneur contemplates starting out on their own is 27.8 years. On average it takes around two years to turn this dream into a reality. Two thirds (67%) of Italy's successful entrepreneurs have a family background in business ownership. In terms of performance this year, it appears to have been a tough year with only 35% of Italian entrepreneurs posting a profit rise in the past 12 months. They are more positive for the future with 56.3% expecting an improvement in the year ahead.

SPAIN

Spain's entrepreneurs are among the most allocated, in personal wealth terms, to their business interests in the world. Almost one third of the entrepreneur's total wealth is tied up in their businesses. Moreover, they are among the more optimistic entrepreneurs in regard to the year ahead with 73.1% expecting a rise in profits for their businesses – this is only slightly behind China, Turkey and India. **Moreover, the Spanish entrepreneur is targeting a healthy gross profit margin of 28.5% amid this optimism.** Notably, Spanish entrepreneurs are typically among the early starters compared to their peers.

UNITED KINGDOM

United Kingdom-based entrepreneurs hold one of the strongest profit margin targets for their businesses in the year ahead at 37.4%, second only to Turkey. This relatively strong ambition appears based on past performance with just over half (52.2%) of UK entrepreneurs experiencing a boost in profits over the past 12 months with a roughly similar portion (52.8%) expecting this rate of improvement to continue into the next year. Notably,
UK entrepreneurs are among the relative late starters. The average age of entering into entrepreneurial activity is 33.4 years. This compares to, for instance, 26.1 years in the Gulf Countries and 28.3 years in China. Indeed, the UK is just ahead of France and the USA as a relative "late starter".

FRANCE

France is among the nations with a tendency to venture into entrepreneurialism slightly later than others with an average entry age of almost 34 years. But a later average start has not impacted the nation's entrepreneurs' success story, particularly in the last 12 months. Effectively half (50.5%) of French entrepreneurs experienced profit growth last year and **they are among the more bullish global entrepreneurs anticipating on average a 31.3% profit margin on their business in this financial year.**

BELGIUM

Belgium has a strong history of family involvement in entrepreneurialism today based on the participating business owners, with over half (53.2%) of Belgian entrepreneurs being able to call upon the experiences of their immediate family who are also actively involved. **Belgians have among the highest average net worth at USD8.6 million of all entrepreneurs assessed.** Notably, the Belgian entrepreneur today also is among the more active in starting new businesses with an average of 6.7 companies created by each Belgian entrepreneur. However, they are slightly downbeat as a group in terms of expected growth in the year to come – only around one in three (35.1%) anticipate an uptick in their business results.

SWITZERLAND

Switzerland's entrepreneurs family legacy is in the balance with just under half (46.1%) having this tradition. On average, they tend to start later on the entrepreneurial path with the average entrepreneur kick off age standing at 32 years. Like their German counterparts in Europe **they are very motivated by the concept of corporate social responsibility.** Equally, like their peers in France and the Netherlands they have a relatively balanced expectation of profit growth in the year ahead with 50% expecting an uptick. Notably, the Swiss entrepreneurs' target margin is set at 23.8% which is among the lowest of all.

LUXEMBOURG

Luxembourg entrepreneurs have among the highest average company turnovers in 2015 with USD9.2 million in annual revenues for the primary businesses among the audience participating. They also, on average, have the highest net worth among entrepreneurial peers and among the lowest portion of their wealth tied up in their business. However, while turnovers and net wealth are on average high only one third of Luxembourg entrepreneurs experienced a profit rise this year and they are more cautious about the year ahead with less than half (45.8%) maintaining a positive forecast.

POLAND

Poland-based entrepreneurs are typically heavily influenced by a family history. Less than a quarter (22%) of Poles appears to be first generation entrepreneurs. Notably, Polish entrepreneurs typically start fewer new businesses (3.8) than elsewhere in the world. They also have the lowest relative interest in corporate social responsibility in relation to their businesses. In terms of performance, over half (56%) had a good year last year but only 44% expect this to continue in the coming year.

NETHERLANDS

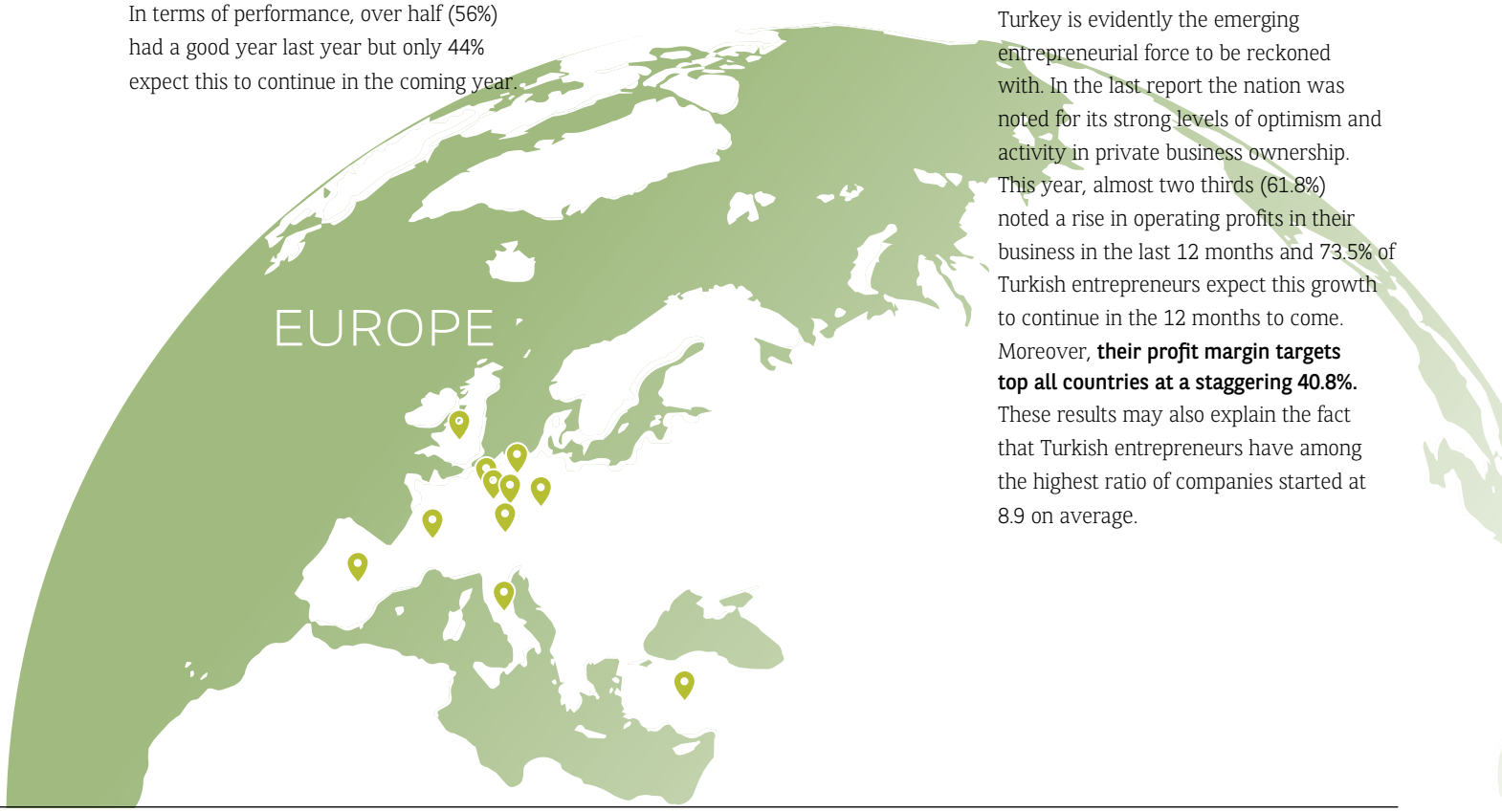
Netherlands-based entrepreneurs are relatively late starters in the field of business ownership kicking off typically in their early thirties (32.4 years on average). Around one in two (45.2%) have a history of family involvement in entrepreneurialism and this may be a factor. Nevertheless, **when they do start, they develop with enthusiasm and have among the highest ratios of companies launched (9.4).** In terms of their business performance and expectations it appears that roughly half (54.8%) experienced a profit rise last year and an equal ratio (54.8%) expect the same outcome in the coming year. Their target profit margins are among the more bullish (32.2%) of those stated.

GERMANY

Germany's entrepreneurs mostly experienced a solid last 12 months and have a bullish outlook on the 12 months to come. Just over half (56.3%) saw a rise in their corporate profits. Equally, **German entrepreneurs expect on average a 33.9% gross profit margin this year – which is among the highest just behind the USA and a little further back than Turkey.** Notably, the population of successful German entrepreneurs appear to include a very sizeable portion of first generation business owners. Only around a third (36.6%) noted a family history of entrepreneurialism. Finally, German entrepreneurs, alongside Switzerland and the Gulf Countries, place the highest levels of importance on corporate social responsibility in their business compared to peers.

TURKEY

Turkey is evidently the emerging entrepreneurial force to be reckoned with. In the last report the nation was noted for its strong levels of optimism and activity in private business ownership. This year, almost two thirds (61.8%) noted a rise in operating profits in their business in the last 12 months and 73.5% of Turkish entrepreneurs expect this growth to continue in the 12 months to come. Moreover, **their profit margin targets top all countries at a staggering 40.8%.** These results may also explain the fact that Turkish entrepreneurs have among the highest ratio of companies started at 8.9 on average.



THE MILLENNI-PRENEUR PHENOMENON

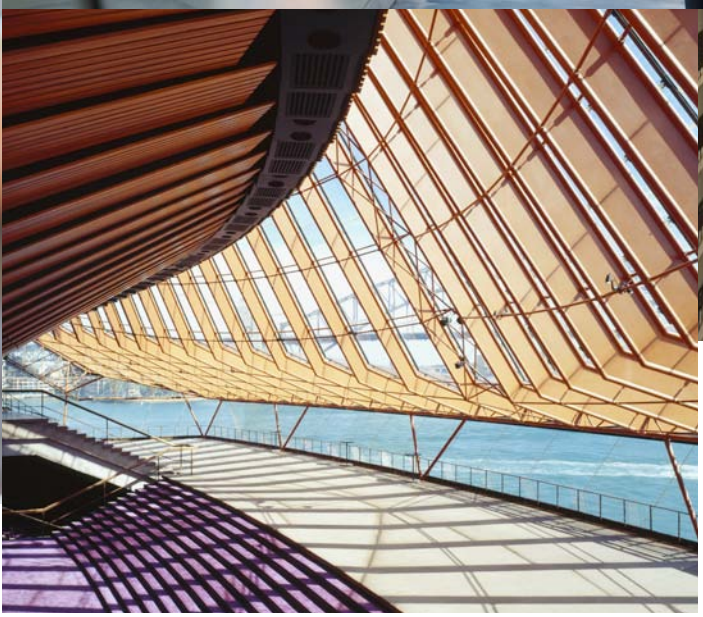
THE EMERGENCE OF THE MILLENNIPRENEUR

Much has been stated about Millennials across the span of the last decade. According to various respected academic papers these individuals are broadly typecast as persons born between 1980 and 1995. The aspirations, actions and influences of millennials on the world of consumption, knowledge transfer and the wider economy have been widely charted in detail.

What has not been examined in as much detail until now is how highly successful millennials are engaging in entrepreneurial activity. In general terms, entrepreneurs within this age profile are typically stereotyped as the jeans and turtle neck brigade of business owners. They are largely thought of as techno-geeks motivated to modernise by an ability to disrupt and transform.

However, the research highlights that such an impression may in fact be a disservice to this audience. Based on the evidence gathered, the entrepreneurial activities of millennials are varied, their successes have been notable for their diversity compared with other generations and these individuals are now reaching their full stride pattern in terms of management, decision making and entrepreneurialism.

Indeed, the millennials exposure to private business enterprise is now moving beyond the first 12-36 months of exuberance and high risk ventures. The successful members of the millennials are now



shifting into a cadre of entrepreneurs with more hardened experiences spanning between 5-10 years where their businesses are also reaching a level of commercial maturity.

Crucially, their approach to entrepreneurialism is now having a material impact not just on themselves but also on wider society. Moreover, they are not simply one hit wonders emerging out of the Silicon Valley. They are looking to make a sustained impact, over generations.

With this as a backdrop, it is clear there is a value in looking more closely at the millennial generation. In this year's analysis – which focuses specifically on successful business owners as judged by the scale of the annual turnover of their business and their level of personal fortune – it is apparent there are a number of distinctions in the approach, preferences and ambitions of Millennials.

These differences are typically best identified when considered in comparison between generations.

The most interesting comparisons emerge when looking at Millennials relative to the Baby Boomer generation. Studying these patterns offers a unique insight into what will inevitably become an increasingly influential generation of business leaders.

Based on the results and emerging patterns, this research program would go as far as to state that the findings have uncovered a new distinct genre of entrepreneur with specific hopes, dreams, targets and influences – this is the **Millennipreneur**.

THE CONTRASTING PROFILES OF MILLENNIPRENEURS AND BABY BOOMERS

Millennials (Under 35)
Boomers (50 and over)

Source: Scorpio Partnership, BNP Paribas.

	The successful Millennipreneur profile	The successful Baby boomer entrepreneur profile
Average age for starting first business	27.7 years	35.3 years
Percentage of first generation entrepreneurs	22%	54%
Average number of businesses launched	7.7	3.5
Average headcount of primary business	122.2	29.9
Average target gross profit margin in 2015-2016	32.6%	27.5%
Top three industries for wealth creation	1. Retail 2. Professional services 3. Technology	1. Professional services 2. Retail 3. Real estate
Top three future industries for wealth creation	1. Financial services 2. Social media 3. eCommerce	1. Travel, Hospitality & Leisure 2. eCommerce 3. Professional services

A TALE OF TWO GENERATIONS

MILLENNIPRENEURS AND BOOMERS

When seeking to understand the distinctions of the Millennipreneur the most effective route is to contrast this generation with the entrepreneurs of the baby boomer generation. These so called "Boomer" individuals can be broadly grouped within the age group of entrepreneurs aged over 50 today. In this latest research program the baby boomer audience comprised 31% of the respondents, compared to the Millennipreneurs who equate to 32% overall.

In terms of characteristics, what is noteworthy is that Millennipreneurs typically start early. The average age of starting out as a business entrepreneur is 27.7 years for millennials versus 35.3 years for baby boomers. Intriguingly, this age gap is relatively consistent across the world which suggests a global cultural phenomenon rather than a localised issue. In effect, it means that many successful millennial entrepreneurs will now potentially have had a decade of experience under their belt. As entrepreneurs remarked, this scale of experience is an invaluable asset in their success.

This experience factor supported by time in the field also appears to be underscored by the successful Millennipreneurs tendency to have a family history of business ownership. Over three quarters (78%) of Millennipreneurs have a history of entrepreneurialism in their family. Of this grouping, nearly half (49%) actually had entrepreneurial parents.

This particular attribute of family influence is significant given the parents of the majority of Millennipreneurs are likely to be of the baby boomer generation. Thus, the millennials that are successful in business ownership today appear to often be the offspring of baby boomer entrepreneurs. However, assuming they are simply following in the footsteps of their parents is too simplified. Only a minority are taking over family businesses, the majority are creating new businesses but they are drawing on the wisdom of the older generation where they can.

It is interesting to note that over half (54%) of baby boomers were in fact first generation entrepreneurs when they first entered into the path of business ownership. This suggests that in their generation the entrepreneurial path was not as common place. The results in this research hint at a possibility that baby boomer entrepreneurs are motivated to give as much of their experience and support to their offspring to help them on the path of successful entrepreneurialism.

Therefore, this family history does not mean that Millennipreneurs are simply heirs of pre-existing businesses passed from their boomer parents. Nor are they just benefiting from financial handouts to kick start their business – in fact, only one in five received capital loans from their family members. Indeed, entrepreneurs that were part of the research went to great lengths to underscore this point. It appears that they are learning from their elders but then striking out on their own.

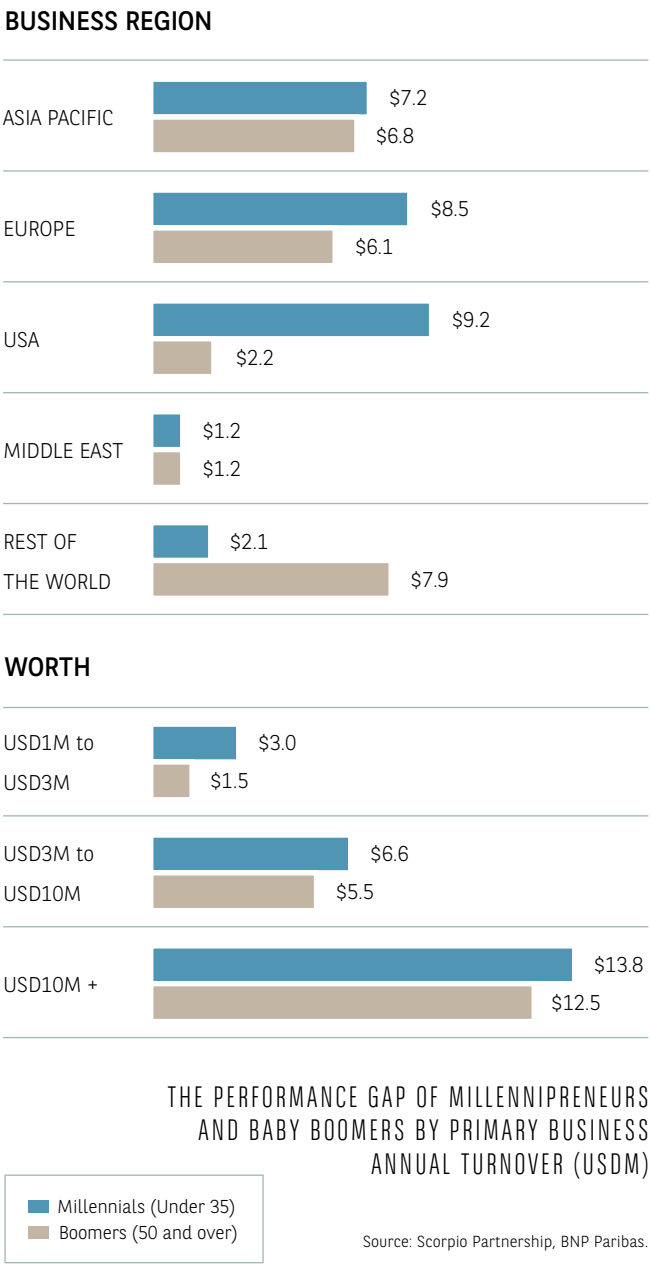
Notwithstanding the emphasis on the independent efforts among millennials, given the stronger influence of family history on the creation for many Millennipreneurs it is intriguing to note the impact of history on their businesses outcomes. The results suggest that Millennipreneurs are highly driven to achieve success and perhaps at a faster pace than their elders.

Some of this might be due to the younger generation attempting to beat the benchmark set by their predecessors. Indeed, it is an inherent factor of all entrepreneurs, like elite athletes, to go further, farther, faster. As many put it, this is how they are programmed and it is often what motivates them. Nevertheless, in general terms this drive appears to result in bigger companies and bigger profits.

Put simply, the millennials, if measured by financial factors, may just be demonstrating a higher relative scale of ambition than their predecessors, in particular with the baby boomers. In terms of assessing this success – if defined by personal net worth or corporate turnover – a quick look at the numbers is a strong guide to this degree of difference. On a global basis, the successful Millennipreneurial business is, on average, posting annual revenues that are 43% greater than their older generation of business owning peers.

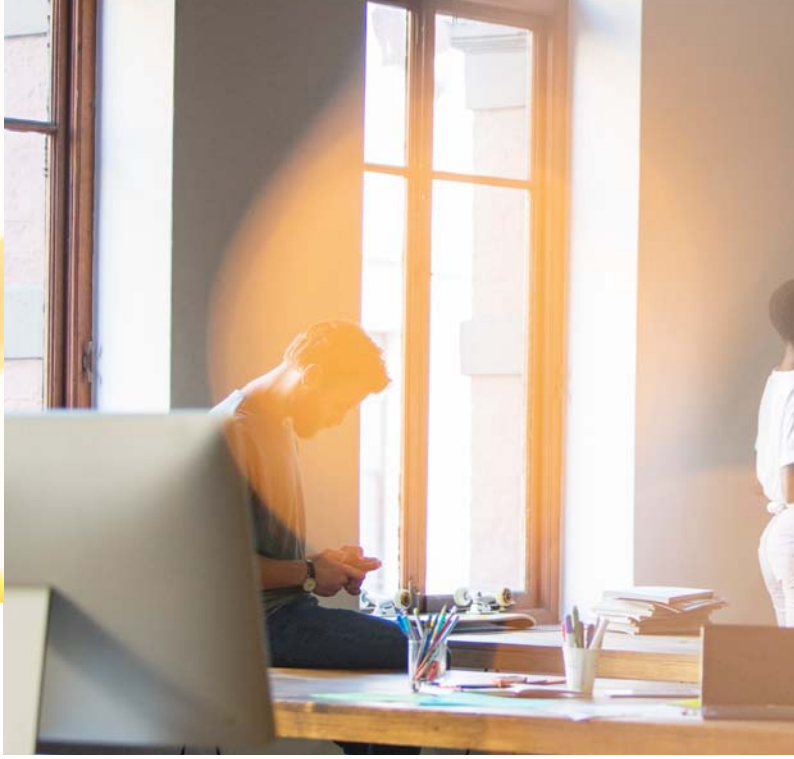
This global average does have some marked variations by region. For instance, in the Asia Pacific region Millennipreneurs are posting business turnovers that, on average, are more modest 6% above baby boomer-led businesses. In Europe this rises to an impressive 39%. It is in the USA, however, where it surges to a staggering 318% difference.

"Approximately, what is your primary company's annual revenue?"



THE PERFORMANCE GAP OF MILLENNIPRENEURS AND BABY BOOMERS BY PRIMARY BUSINESS ANNUAL TURNOVER (USDM)

Source: Scorpio Partnership, BNP Paribas.



CHARTING THE PATH TO SUCCESS

OF THE MILLENNIPRENEUR

THE AVERAGE HEADCOUNT OF

122.2 STAFF

PER BUSINESS FOR MILLENNIAL-LED ENTERPRISES COMPARES TO 29.9 STAFF FOR THE COMPANIES OF ENTREPRENEURS OVER 50.

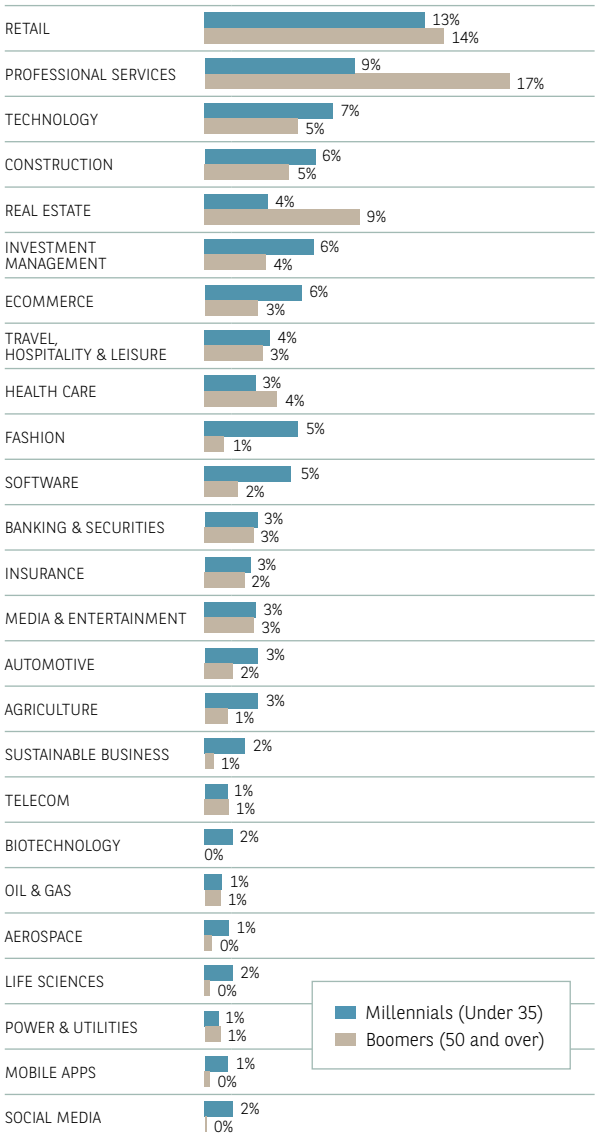
Evidentially, financial results, starting ages and family history only tell a fraction of the story. If considered in isolation it appears that Millennipreneurs are outstripping their older generations on all counts, and by some margin. However, that only offers part of the picture.

Another factor to consider is the selection of industries preferred by millennials compared to the baby boomers. In relative terms, when compared to baby boomers, millennials appear less attracted to the professional services sectors such as accountancy, law and consulting as well as more traditional sectors such as real estate.

In terms of more favoured sectors, a notable number are markedly higher than baby boomers. Industries including fashion, software, investment management, and e-commerce all have greater proportionate millennial participation.

However, what is most striking about the comparison of industries between generations is the relatively equal level

In which of the following industries have you accumulated the majority of your wealth?



PRIMARY INDUSTRY SECTORS OF MILLENNIALS VERSUS BABY BOOMERS

Note 1: Rounded data labels; chart graphics represent complete data.

Source: Scorpio Partnership, BNP Paribas.

of distribution breadth among industry sectors between generations. It is clear that millennials are not simply centred around the high tech sector or eCommerce. Their industry focus mirrors their predecessors and they actually appear to be more active in almost every sector.

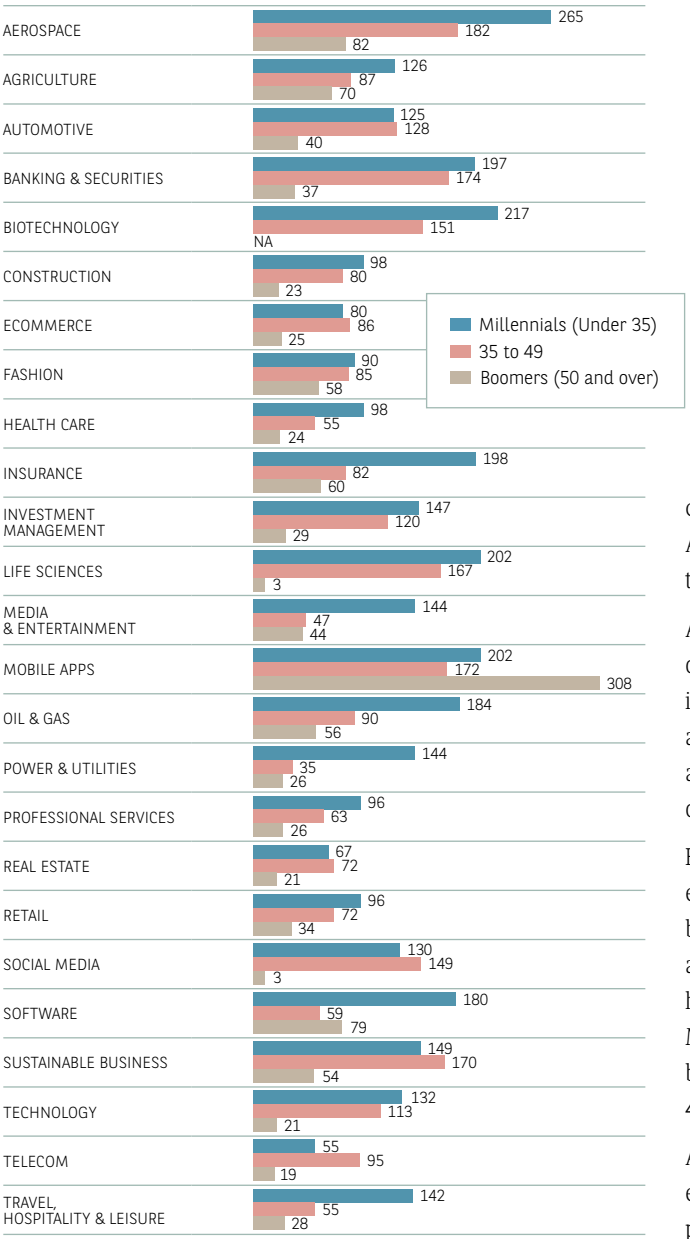
This diversity makes it possible to consider the two generations on a more level playing field. Indeed, it dismisses the general myth propagated that millennials are purely digitisation revolutionaries. That clearly does a disservice to their efforts and impact.

Indeed, what the insight from respondents illustrates is that Millennipreneurs have achieved their first stage of business and personal financial successes in most cases in similar fields as the baby boomer generation. But while many may be, potentially, drawing on the wisdom and the path carved out by boomers they are then adapting approaches and pressing on ever further in the realms of successful outcomes. Consequently their efforts should be watched more closely by us all.

In fact, while millennials appear to be tracking their older peers, their businesses are typically more resourced rather than less. For example, the average headcount of 122.2 staff per business for millennial-led enterprises compares to 29.9 staff for the companies of entrepreneurs over 50.

While some of this distribution can be explained by the proportionately larger turnover levels of companies led by millennials it could also be based partly on the sector focus of the different entrepreneur profiles. For instance, the professional services sector is arguably less labour intensive than technology,

Approximately how many people does your primary company employ?



DIFFERING HEADCOUNT LEVELS OF BUSINESSES OWNED BY THE THREE GENERATIONS OF ENTREPRENEURS

Note 1: Millennials are classified as individuals 35 years old or younger; Baby boomers are classified as individuals over the age of 50 years old; the age bracket of 35 years to 50 years is included to illustrate the variation between generations.
Note 2: No sample participants over the age of 50 years were active in biotechnology.
Source: Scorpio Partnership, BNP Paribas.

construction, banking, investment management and software. All of the latter are more popular with millennials, according to the research findings.

Alongside headcount, which clearly impacts the operating costs of the various businesses managed by entrepreneurs, what is interesting about the millennials is their confidence levels on the anticipated performance of their businesses. Overall, they are a much more bullish group of entrepreneurs compared to their older peers.

For instance, when asked to set out their gross profit margin expectation for the coming year, millennials are almost 20% more bullish than the over 50s (32.6% versus 27.5%). When looking at this at a regional level, the USA millennial entrepreneurs have the highest target gross profit margin of all with 46.1%. Moreover, almost three quarters of all millennials expect their business profits to increase in the coming year. This compares to 42% of the baby boomer generation.

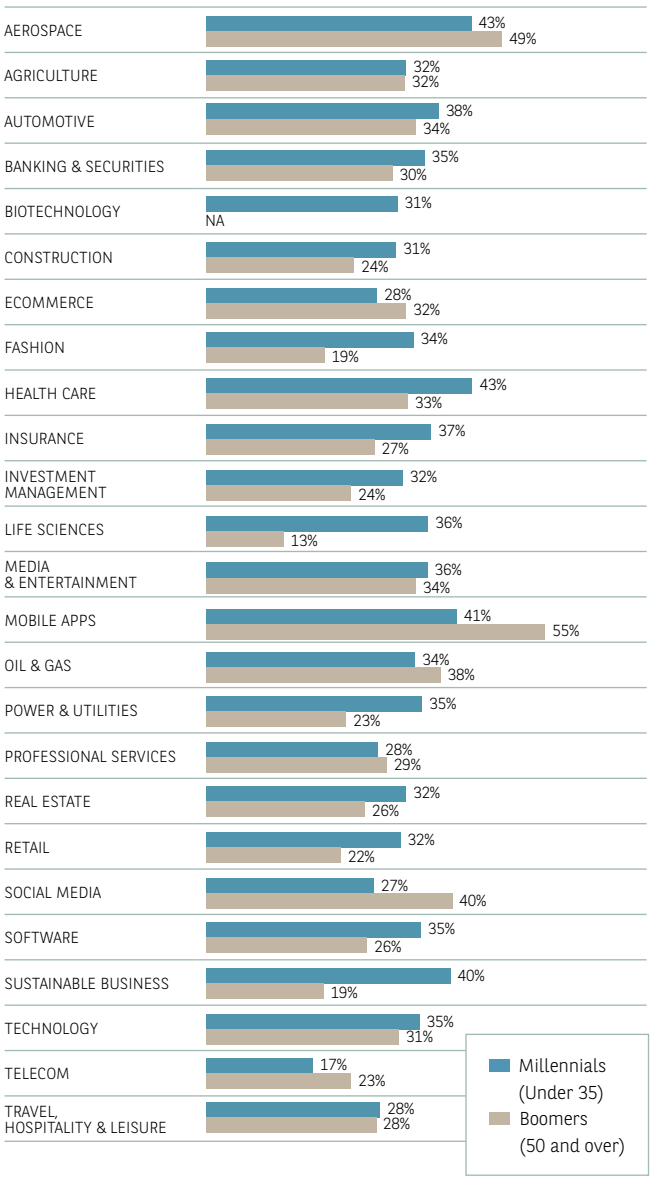
At a base level these results could simply be interpreted as entrepreneurs being consistently more bullish than their older peers. A response by older peers is typically that the youthful

entrepreneurs have not experienced as many market downturns as they have and so their exuberance is not as tempered. To an extent such a general assessment could be accepted. Time will tell.

However, geographic comparisons on profit targets are not as revealing as industry forecasts. When considering the two entrepreneurial generations side-by-side in the same industry sector it is evident that the millennials are mostly more optimistic. Indeed, only in the arena of mobile apps are the baby boomers adopting a greater position of optimism relative to their younger peers.

The standout sector peaks in terms of ambition levels for the millennials include, in relative terms, life science, health care, insurance, power & utilities, retail, software, and sustainable business. In this context, based on the input of the active successful entrepreneurial community, for those wishing to pick out sectors in which to back future entrepreneurs, these would likely be a good starting point of the evaluation. This is covered in more detail in the next few pages.

"What do you expect your gross profit margin for 2015 to be?"



A COMPARISON OF TARGETED PROFITS IN THEIR ACTIVE INDUSTRIES BETWEEN MILLENNIALS AND BABY BOOMERS

The results aligned to the industry in which the primary businesses operate of the respondent.
Note 1: No sample participants over the age of 50 years were active in biotechnology.
Note 2: Rounded data labels; chart graphics represent complete data.
Source: Scorpio Partnership, BNP Paribas.

THE FUTURE INDUSTRY FOCUS

OF MILLENNIPRENEURS

THE FUTURE PREFERRED INDUSTRIES FOR MILLENNIPRENEURS ARE

FINANCIAL SERVICES, SOCIAL MEDIA & E-COMMERCE.

While past performance is never a strong guide for future performance, looking beyond the business sectors that have generated the success for either generation what is revealing is the potential shift in industry focus between generations when looking into the future.

For the baby boomer generation their attention will shift most toward industries including lifestyle sectors and e-commerce alongside even more professional services. What this suggests, if a little harshly, is a gravitation toward businesses more suited to their generation and the factors immediately surrounding them. The much reported demographic shift to a larger population over the age of 60 appears to be attracting their attention. This is underscored by the other sectors of note for increased focus by baby boomers including health care and biotechnology.

Interestingly, while Millennipreneurs concur on the opportunities in e-commerce and technology they appear to have a subtly

different focal point. Other standout sectors where they will focus their effort will include investment management, software and social media. This is in addition to life sciences and mobile apps. These interests could suggest a generation of entrepreneurs more attracted to tapping into wider long term consumer trends and also a desire to tackle a sector that is likely to continue to benefit greatly from service, information and technology enhancements – namely investment management and even banking.

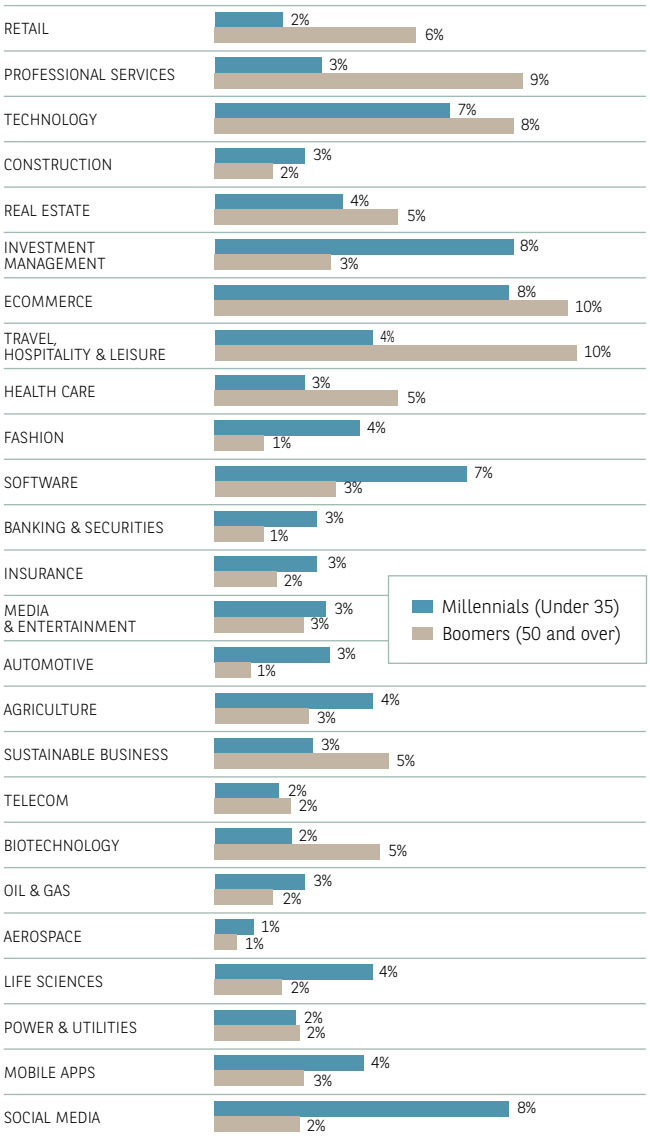
Intriguingly, what these results suggest is we may be at a juncture in the evolution of entrepreneurial activity between the generations. On closer review of the future preferred sectors it is intriguing to see that in many cases the baby boomers are actually seeking to increase their focus on sectors where their millennial peers have been experiencing the best returns. Could it be, therefore, that the teacher may now be following the student?

Such a scenario would be fascinating twist in the tale of the two generations to date. Indeed, in this section we started by illustrating that there is a high likelihood that the pioneering entrepreneurial baby boomers have been a major catalyst in getting the millennials started on the path of business ownership. Equally, these boomers appeared very supportive of the next generation to not only avoid entrepreneurial pitfalls but also help them excel beyond their own achievements.

The result of this nurturing coincided with the dawn a technology revolution. However, instead of the millennials just pursuing a quick trade in a dotcom venture where the level of business casualties were substantial, these millennials spread out across an enormous range of sectors and applied themselves effectively.

Their achievements are such that in fact these Millennipreneurs are now possibly setting new standards. The baby boomer entrepreneurs, as has the wider population, have noticed. And so they should.

"If you have to pick another industry to start a business in today, which industry would you choose?"



THE FUTURE PREFERRED INDUSTRIES FOR ENTREPRENEURIAL FOCUS – MILLENNIALS VERSUS BABY BOOMERS

The results aligned against generational profile.
Note 1: Rounded data labels; chart graphics represent complete data.
Source: Scorpio Partnership, BNP Paribas.

TRACING THE SUCCESS OF

WOMEN ENTREPRENEURS

THE IMPORTANCE

OF WOMEN ENTREPRENEURS GLOBALLY

The role of women as successful entrepreneurs worldwide has historically been overlooked. The stereotypical assumption that the high risk endeavours of business ownership are the preserve of men has, arguably, been a major factor. The reality is, however, that women in business have achieved major triumphs in terms of financial success and business legacy over many decades.

Last year, the **BNP Paribas Global Entrepreneur Report** highlighted that the female entrepreneur was just as capable and just as successful. Arguably, this year, looking more closely at the financial results suggested that the female entrepreneur hold a slight edge over their male peers.

Crucially, female entrepreneurs consistently remark that their decision to pursue an entrepreneurial destiny was in large part because through running their own business they could write their own rules and take more direct control in their ability to achieve their potential. There was, in the words of one contributor, no glass ceiling as an entrepreneur.

This year, the research has considered in more detail the influences and approach to business ownership for female entrepreneurs. While, arguably, women are not radically different to men in many areas of business leadership, there are noteworthy variances in key areas.

As a starting point, one key observation is that there is a growing population of female entrepreneurs.

Among successful entrepreneurs that participated in this research program 34% were women. However among the generations 37% were millennials and 24% were baby boomers. This suggests that within two generations the population has potentially increased by as much as 50% and this has a consequence for the future. Moreover, the achievements of more millennials are most likely going to attract an even greater participation level of women in the generations to come.

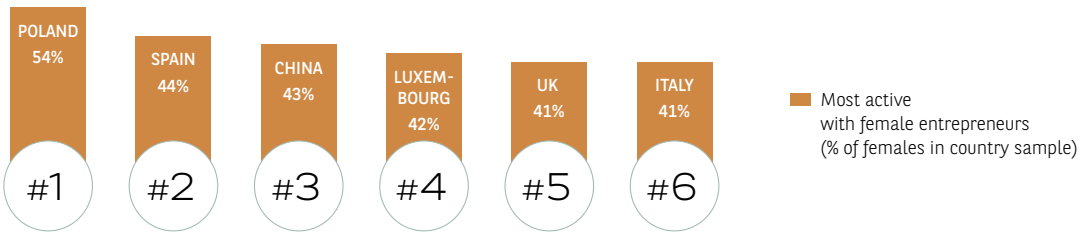
Given the indication that there is a growing population of female entrepreneurs it is worth digging deeper into where on the globe these women in business are most active today.

As the table below illustrates, for example, based on the non-biased research process, Poland, Spain, China, Luxembourg, the UK and Italy appear to be the most active in terms of female participation. Poland is particularly interesting, so far, it appears there may even be proportionately more successful female entrepreneurs compared to men. Taiwan, the Netherlands, Turkey, India, France and Hong Kong are the least active today where one in five successful entrepreneurs are women.

WHEN CONSIDERING THE AVERAGE TURNOVER OF COMPANIES LED BY FEMALE ENTREPRENEURS. THIS YEAR, THE AVERAGE STOOD AT

USD 7.1M

WHICH WAS 9% ABOVE THE OVERALL AVERAGE.



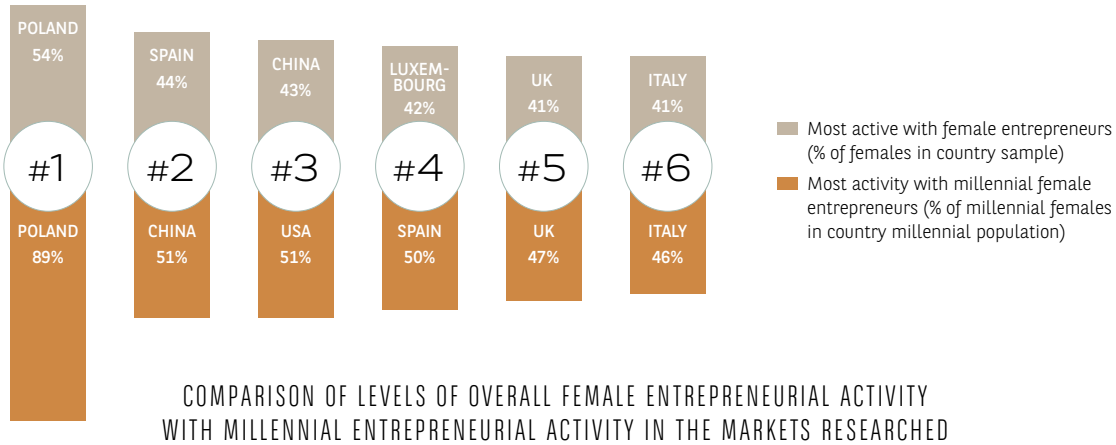
FEMALE ENTREPRENEURIAL HOTSPOT ACTIVITY IN THE MARKETS RESEARCHED

Note 1: Assessment based on proportion of female participants in the survey in each market.
Note 2: The research process was gender neutral.
Source: Scorpio Partnership, BNP Paribas.

Notably, all of the top six countries with the most active participation levels of female entrepreneurs experienced an increase in participation levels from last year's research program. In most of the least engaged countries the participation level of female entrepreneurs has also proportionately improved. This suggests that in each market the popularity of entrepreneurialism among females is on the rise.

Given that the focus here is purely on the most successful business owners, there will be even more female role models for new entrants to look to for inspiration. There are likely to be many reasons behind the increased participation levels with factors such as culture and a broader range of opportunities playing a part.

Critically, the scale of millennial participation in each country could be seen as a leading indicator for the future rate of growth of female entrepreneurs in each country. The larger the participating female millennial population the stronger the longer term growth rate. This assumption can be made with confidence because the majority of entrepreneurs typically remain entrepreneurs through their lives. So if there are a growing number of younger entrepreneurs today this will affect the overall population number.



COMPARISON OF LEVELS OF OVERALL FEMALE ENTREPRENEURIAL ACTIVITY WITH MILLENNIAL ENTREPRENEURIAL ACTIVITY IN THE MARKETS RESEARCHED

Note 1: Assessment based on proportion of survey female participants in each market.
Note 2: Female millennial % scores are relative to male millennial % scores among survey participants.
Source: Scorpio Partnership, BNP Paribas.

Focusing on the upward trend of millennial participation in entrepreneurialism would suggest that the top six markets of the future are those listed in the table above. Significantly, given the scale of participation among female millennials in these markets while also assuming some degree of attrition in longer term participation this data suggests a likelihood in a relatively short span of time that all the leading entrepreneurial markets will be more equally represented between the genders. Such a situation was largely judged to be an unlikely scenario just a few decades previously.

Meanwhile, in terms of the financial achievements of the women entrepreneurs, it is clearly significant. Over a third (36%) of the total company revenue generated by all entrepreneurs surveyed was led by females. This slightly exceeded the participation levels of females compared to males in the research program. Thus, arguably, in relative terms female entrepreneurs could be seen as achieving more.

This is underscored when one considers the average turnover of companies led by female entrepreneurs. This year the average stood at USD7.1M, which was 9% above the overall average. Going deeper into the results, female Millennipreneurs were 22% above the overall average.

THE INFLUENCES

ON WOMEN ENTREPRENEURS WHEN STARTING OUT

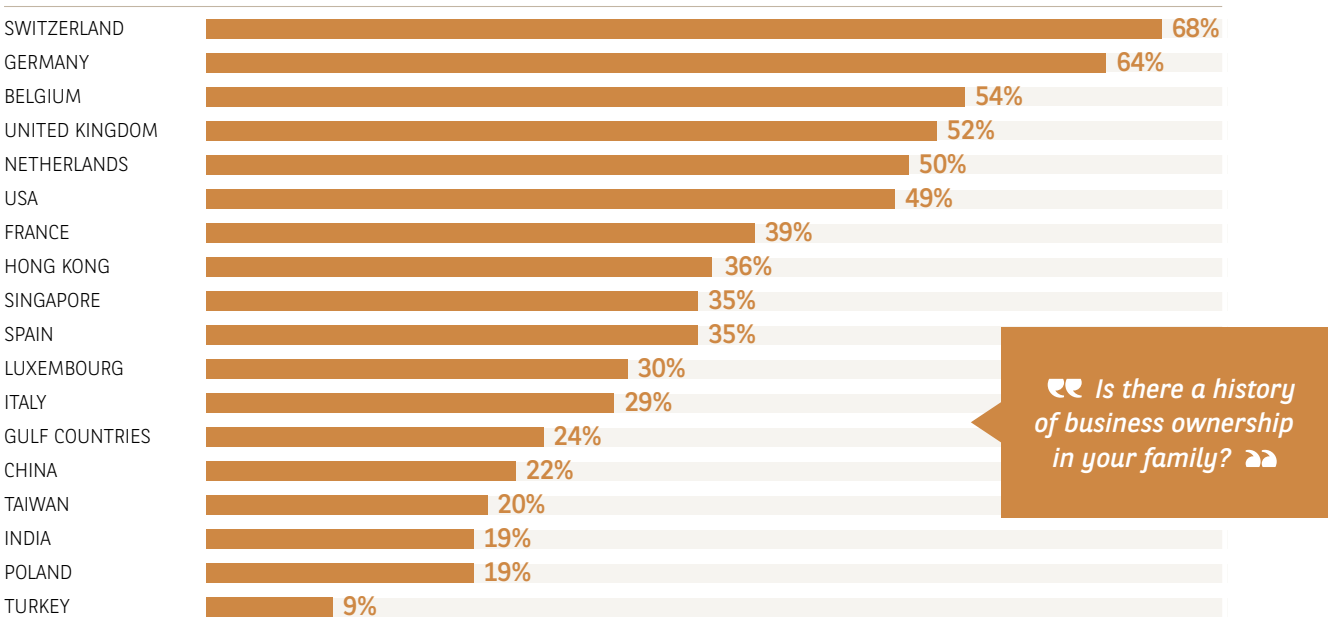
The factors that have driven women to start up their entrepreneurial enterprise are noteworthy. The legacy of family is inevitably an important factor for many. Almost two thirds (64%) of successful female entrepreneurs today had a history of business ownership in the family and they cited this as a major influence on their success. Of this group, 39% had parents with a business-owning background. Nearly a quarter (24%) had sibling entrepreneurs while extended family represented 21% and grandparents made up 11%.

Significantly, just over a third (36%) of women in business today carved their entrepreneurial path without any family background of business ownership. Critically, this ratio is only marginally less than male entrepreneurs and suggests that in today's society the opportunity for women to independently pursue an entrepreneurial path may be improving in terms of equal opportunity.

When looking at this from a generational perspective the results are intriguing. Similar to Millennipreneurs as a broader group, millennial females are less likely to be setting out on the entrepreneurial path without a family legacy in business ownership.

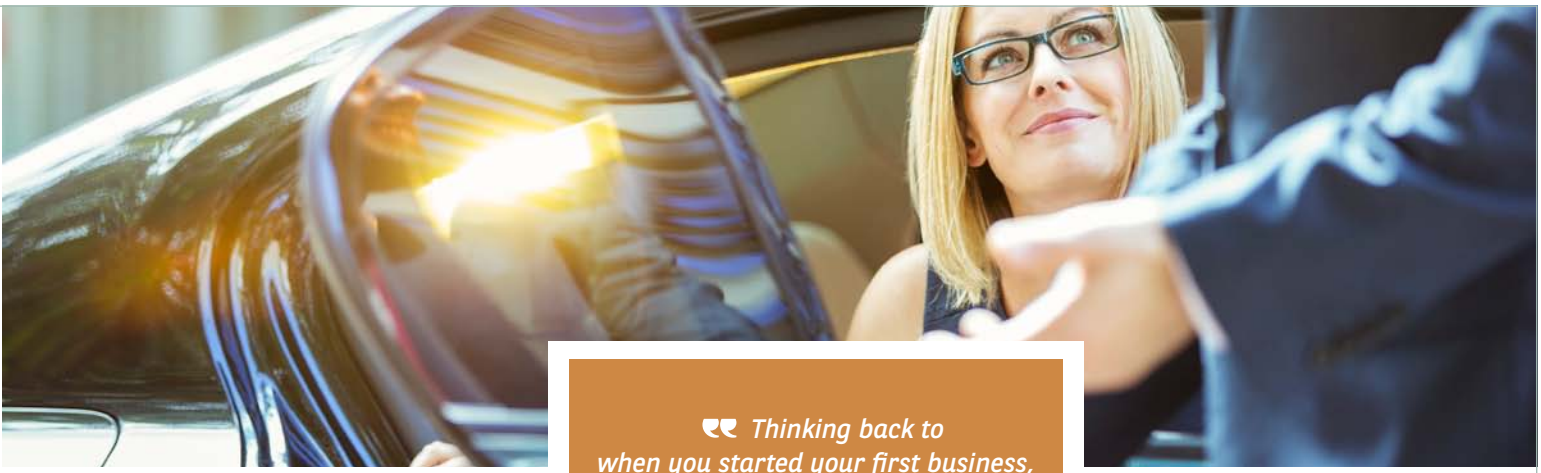
Effectively one in five (21%) millennials had no family background to call on. This compares with almost half (49%) of the baby boomer generation of female entrepreneurs making family history with their endeavours as they had no family members to call on. This pioneering effort on the women in business from the baby boomer generation has never perhaps had as much recognition as it merits.

If the baby boomers's actions are a sign for the next wave then digging deeper into the first generation entrepreneurial

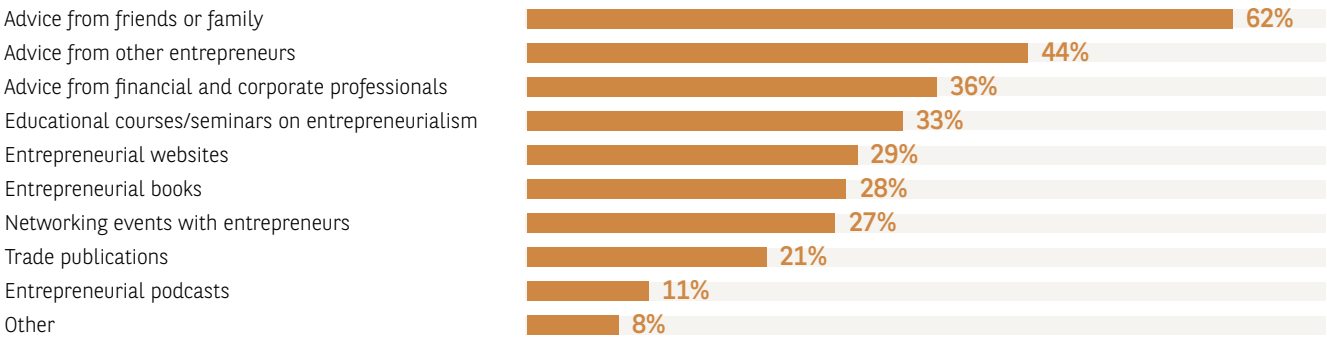


FIRST GENERATION FEMALE ENTREPRENEUR ACTIVITY BY MARKETS

The results of "No history" then being referenced against the country location of the primary business of the female entrepreneur.
Source: Scorpio Partnership, BNP Paribas.



> *Thinking back to when you started your first business, which of the following resources was most influential in your decision making?*



DECISION-MAKING INFLUENCES WHEN FEMALE ENTREPRENEURS ARE STARTING

Source: Scorpio Partnership, BNP Paribas.

phenomenon is an interesting guide for the future. Based on the highest incidence levels among the research sample, topping the list is Switzerland followed closely by Germany and then Belgium, the UK and the Netherlands. The results, according to entrepreneurs interviewed, suggest these markets are the most open culturally to women in business.

Beyond family influences or simply the personal drive of an individual seeking to carve a career in business, what is also intriguing to understand is the range of influential sources that have been called upon by women leaders in business when they are poised to start on the entrepreneurial path.

While topping the list remains the advice drawn from family and friends at 62%, a relatively close second is the direct input from other entrepreneurs (44%). If this entrepreneurial input is then combined with networking events with entrepreneurs at 27% then the guidance of other peer entrepreneurs on decision making is the single most influential resource for female entrepreneurs.

Ultimately, it appears that women in business are a fast growing community. Moreover they are actively seeking out guidance from others. In the world of entrepreneurialism, as with many other walks of life, relevant role models make a difference to the next wave of entrants. As the population of highly successful women in business increases this will have a snowball effect on the generations to come.

Moreover, the markets that may have traditionally been less embracing of women in business appear to be on an inexorable path toward open opportunity and equilibrium. Put simply, it is our prediction based on the research insights that the female entrepreneur will soon become as prevalent as their male counterparts.

THE INDUSTRY FOCUS OF WOMEN IN BUSINESS

INTO THE FUTURE

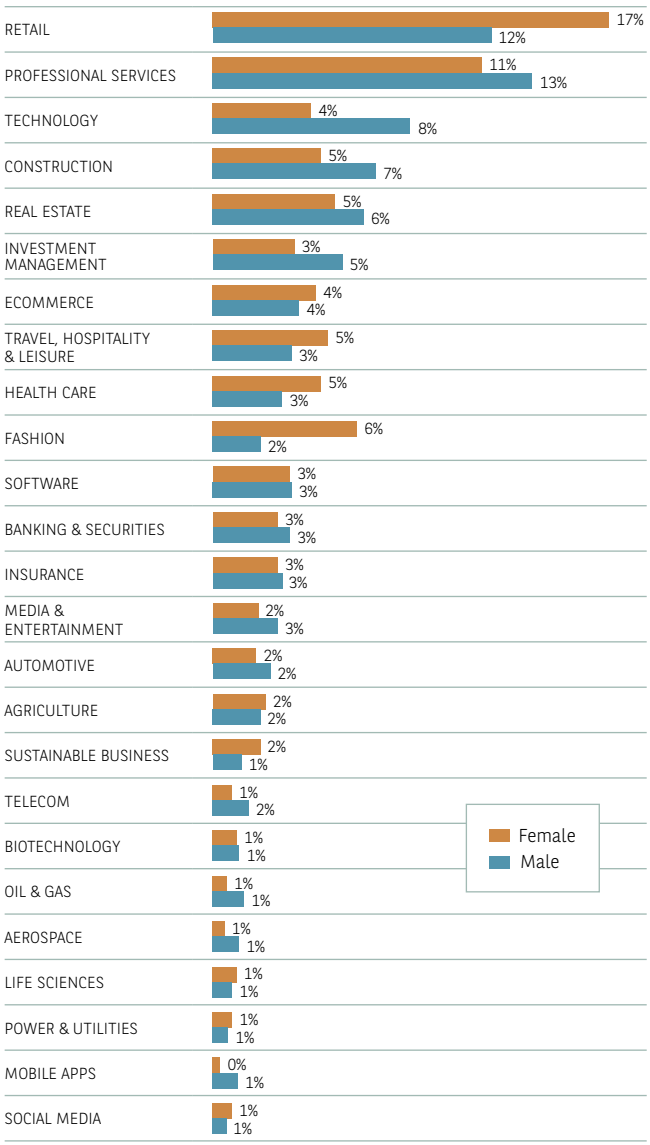
Tracing the industries in which female entrepreneurs are most active today highlights some marked distinctions compared to male entrepreneurs. The top industry sector for women in business is the retail sector. Alongside retail, activities in the professional services sector including accounting and law are potentially the dominant fields of activity.

Meanwhile, industry sectors where there was a markedly larger participation of female entrepreneurs compared to men are in the fashion sector while health care, lifestyle, and eCommerce all have slightly higher levels of participation from female business leaders. Once again, as with the Millennipreneur insight, the range of industry activity of women in business highlights clearly that there is no territory that is not accessible to women in business.

Looking into the future, the areas of interest for women in business provide a number of interesting findings. When compared to male business owners, there is a trend of common interest in future industries between genders. Overall, the majority of attention is focused on eCommerce and Lifestyle with the latter already being an area of relatively higher levels of activity among female entrepreneurs.

Aside from these industries, two further sectors where the attention of female business owners markedly exceeds the level of attention of their male peers are the fields of fashion and social media. Meanwhile, the appeal of going further in the retail sector is slightly less pronounced.

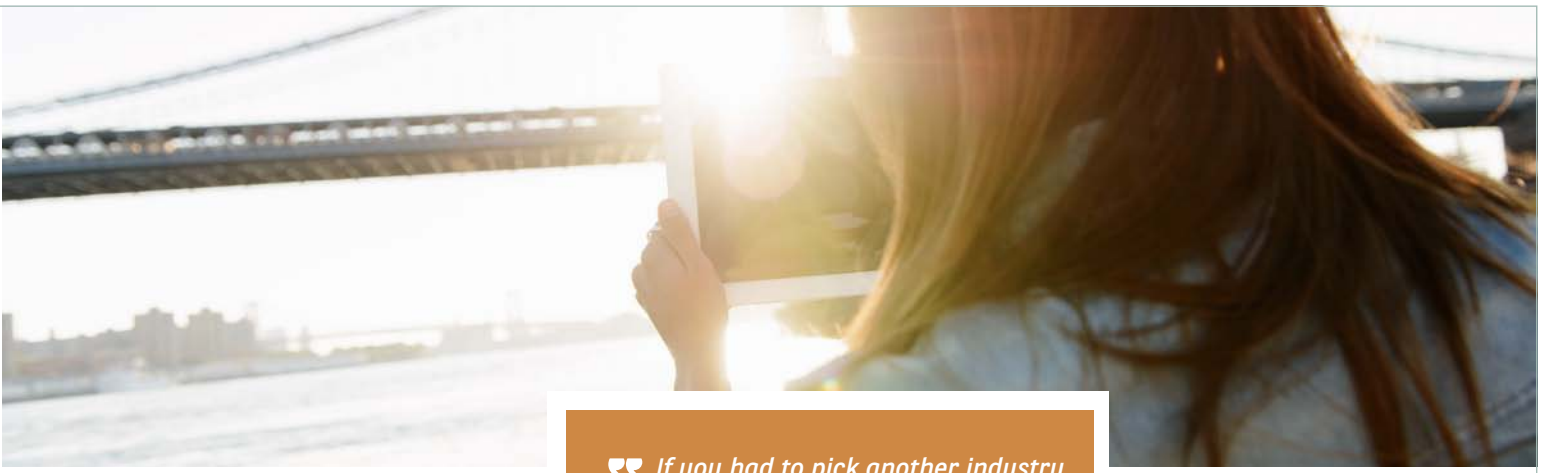
"In which of the following industrial sectors have you accumulated the majority of your wealth?"



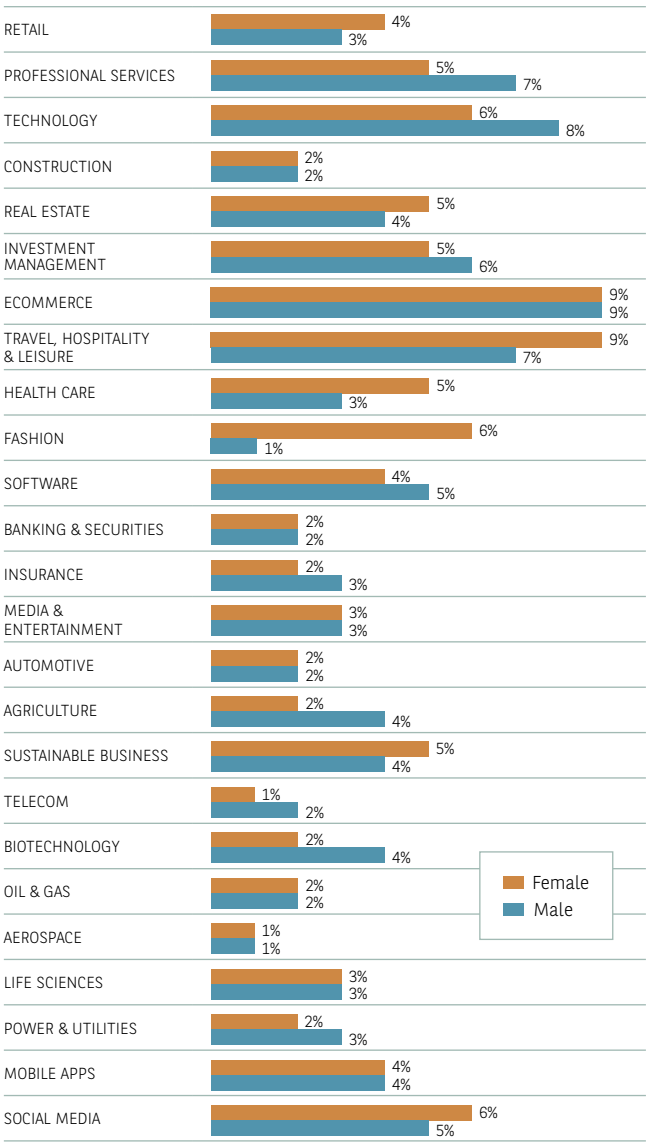
THE INDUSTRY FOCUS OF FEMALE ENTREPRENEURS – RELATIVE TO MALE

Note 1: Rounded data labels; chart graphics represent complete data.

Source: Scorpio Partnership, BNP Paribas.



> *If you had to pick another industry to start a business today, which industry would you choose?*



THE FUTURE INDUSTRY FOCUS PREFERENCES OF FEMALE ENTREPRENEURS

Note 1: Chart graphics represent rounded values.

Source: Scorpio Partnership, BNP Paribas.

	All female entrepreneurs	Millennial female entrepreneurs
#1	eCommerce	Financial services
#2	Travel, Hospitality & Leisure	eCommerce
#3	Social media	Fashion
#4	Fashion	Social media
#5	Technology	Software

COMPARING THE TOP 5 INDUSTRIES OF FUTURE FOCUS BETWEEN ALL FEMALE ENTREPRENEURS AND FEMALE MILLENNIPRENEURS

The results then segmented between all female respondents and female millennials.

Source: Scorpio Partnership, BNP Paribas.

Looking beyond the gender comparison at the future appetite, the difference of view between millennial females and the wider female average also provides an interesting insight. There is a subtle shift in focus among the millennial females toward making a mark in investment management which does not register as significantly with the wider female audience. It is also a marked change in focus from the past sources of wealth creation for these entrepreneurs.

Interestingly, this attention on financial services is also shared with the wider millennial population of entrepreneurs including men. The result suggests that among the entrepreneurial community at large there is a strong sense of opportunity to transform an industry sector that has, at least until now, often had a less than flattering reputation around innovation.

THE START-UP RESOURCES CALLED ON

BY WOMEN ENTREPRENEURS

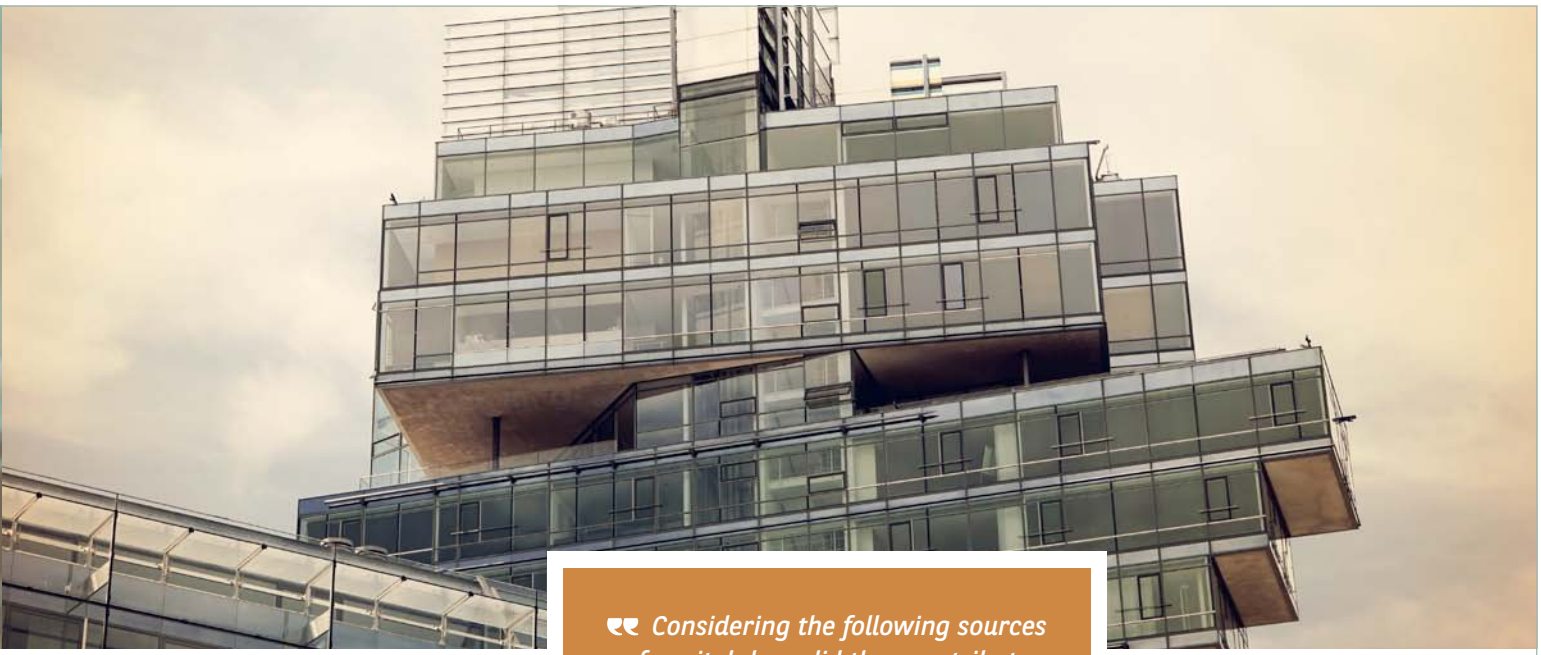
When launching businesses it is interesting to examine the source of start-up capital called upon by women in business to ensure their companies are able to thrive. The results of this year's survey demonstrate clearly that successful women in business are not averse to significant capital injections to ensure the success of their enterprises.

Among the HNW and UHNW female business owners reviewed for this research the average start-up capital requirement was 15% above the overall average of the 2,594 participants, standing at a level of USD4.5M.

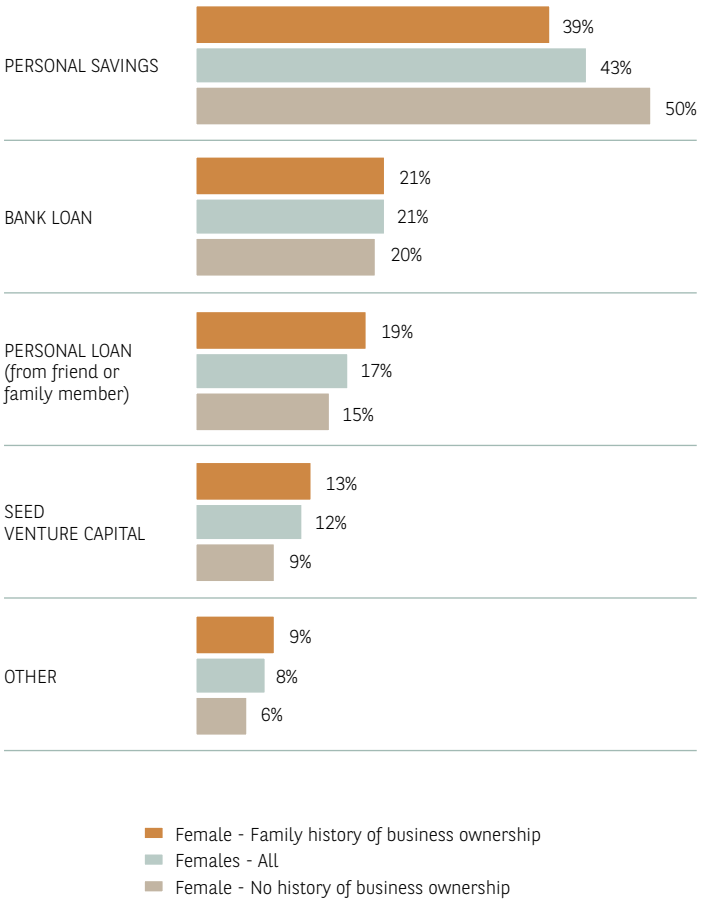
With this as a context, for female entrepreneurs the industries that have had a bigger call on start-up capital have been the mobile app sector, insurance and automotive industries respectively. Interestingly, the industries where women in business have required the least amount of start-up capital have been oil and gas, eCommerce and social media.

Looking to the sources of funding for these business requirements, the largest resource for start-up capital originated from personal savings. This was followed by bank loans and then a loan from family and friends. Ultimately, this order of capital sources is a similar trend for all entrepreneurs.

What is noteworthy, however, is this pattern shifts subtly when one examines differences in the sources of capital for female entrepreneurs with no family history in business ownership. Here there is a noteworthy uptick to 50% (from 39%) in drawing on personal savings and a slight decline in the propensity to call upon family members to 15% (from 19%).

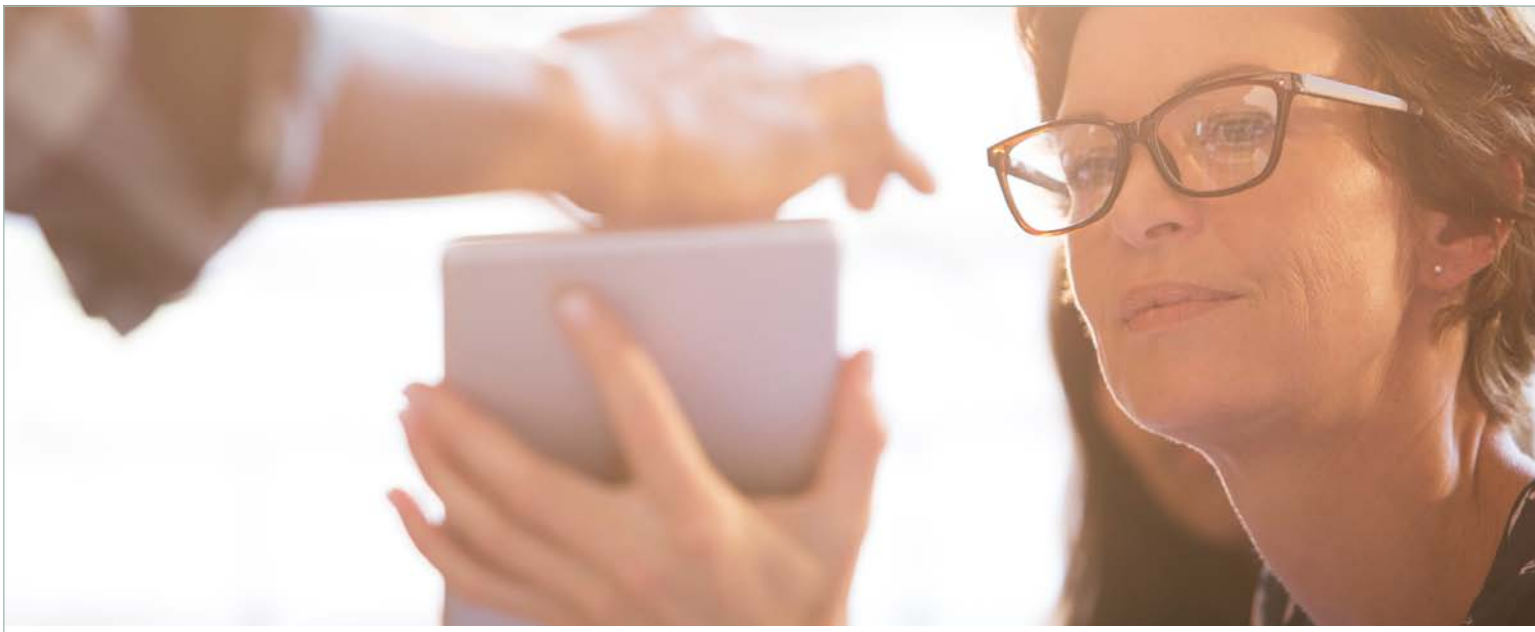


Considering the following sources of capital, how did they contribute to funding your business?



SOURCES OF START-UP BUSINESS FUNDING FOR FEMALE ENTREPRENEURS

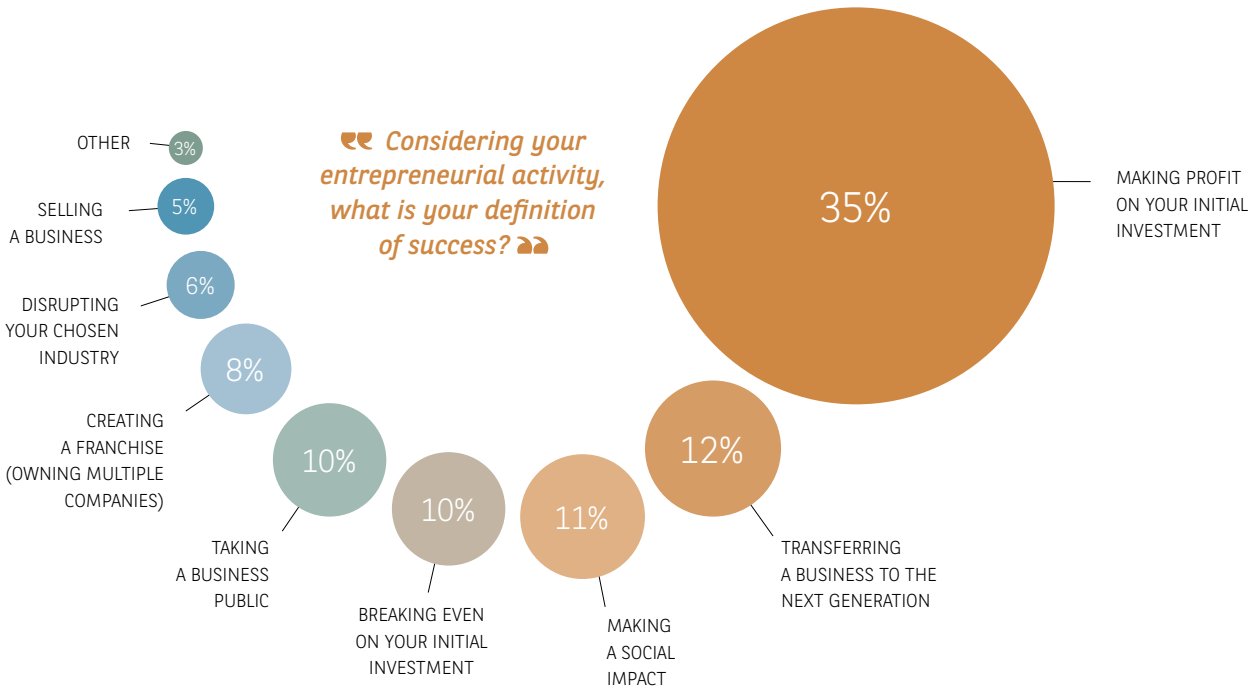
The results then segmented based on individuals that had a family history in business enterprise versus those without such a legacy.
Source: Scorpio Partnership, BNP Paribas.



SUCCESS FACTORS AND PROFIT LEVELS

OF WOMEN IN BUSINESS

"Considering your entrepreneurial activity, what is your definition of success?"



THE DEFINING FACTORS OF SUCCESS FOR A FEMALE ENTREPRENEUR

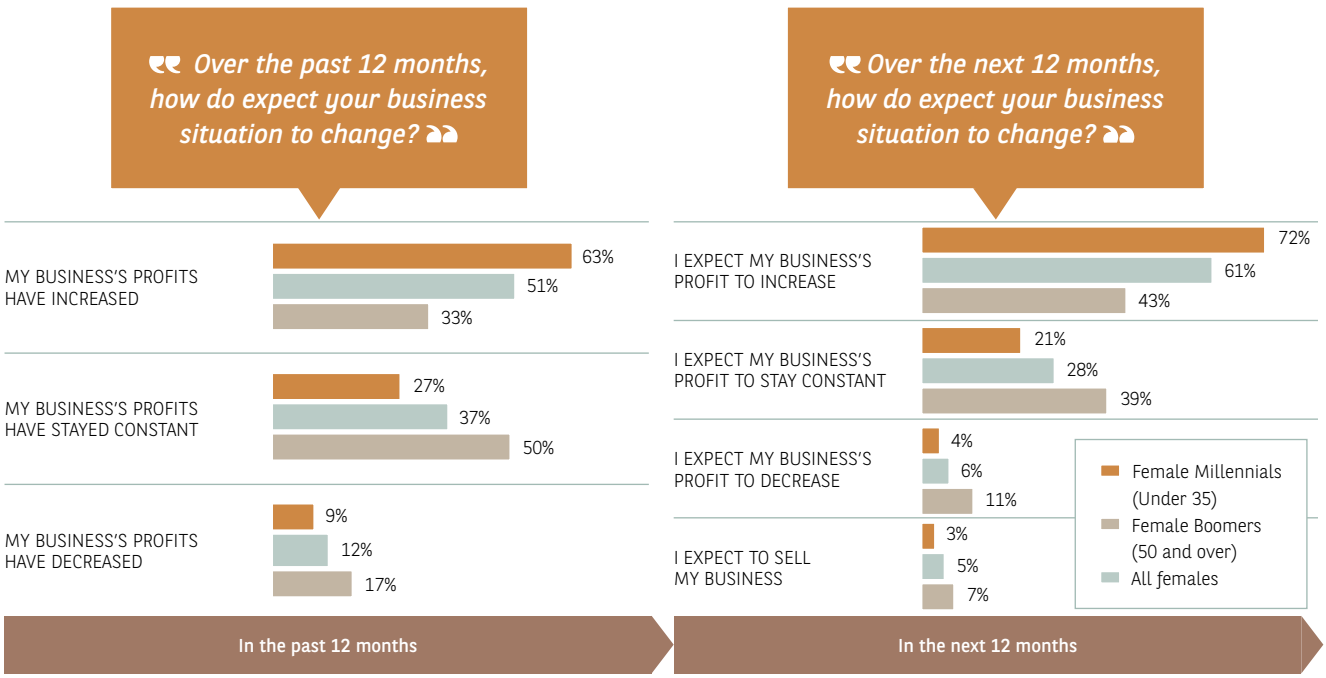
Source: Scorpio Partnership, BNP Paribas.

Perhaps unsurprisingly, when it comes to success factors the female entrepreneur is not significantly different in her criteria of assessment to male colleagues. Top of the list of measures is making a profit on the initial investment. This is then followed by a number of factors of relatively equal importance including transferring a business to the next generation, making a social impact, breaking even on the initial investment and taking a business public.

While the above data is linked to a longer term evaluation of entrepreneurial success, it is notable also that when female business owners are asked to identify their top key performance indicators for evaluating their business activities today, profit is again the number one criteria.

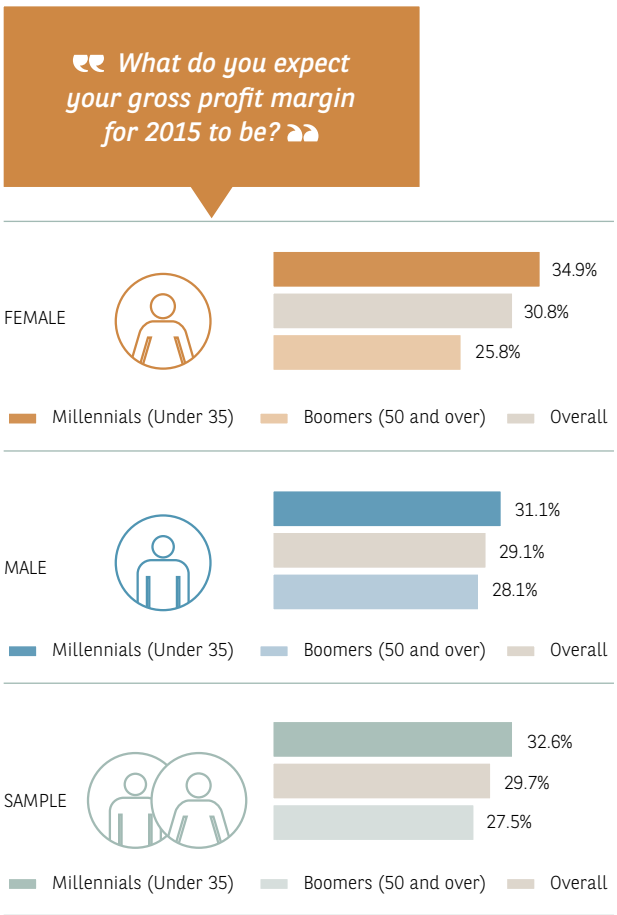
Given that profit overall is the standout success criteria, it is interesting to determine how female entrepreneur's business activities have performed recently and also their future expectations in terms of forecast profitability. When considered together it helps to explain the levels of ambition among the most successful women in business today.

Overall, 61% of female business owners expect their business profitability to increase in the next 12 months. This compares with 28% that expect their profits to remain static while only 6% expect profits to decline. When set alongside male business owners these figures represent a slightly more optimistic standpoint.



PERFORMANCE RESULTS AND EXPECTATIONS OF THE FEMALE ENTREPRENEUR

Source: Scorpio Partnership, BNP Paribas.



COMPARISON OF GROSS PROFIT AMBITIONS OF THE FEMALE ENTREPRENEURS RELATIVE TO ALL SAMPLE AND MALE ENTREPRENEURS ONLY

Source: Scorpio Partnership, BNP Paribas.

Looking further into the responses, the bullishness of women is more pronounced when considering the expected target gross profit levels of female entrepreneurs. The entrepreneurial community as a whole (both male and female) has a profit margin target of 29.7%. When looking solely at female entrepreneurs, this rises to 30.8% while it actually falls among male entrepreneurs to 29.1%. Furthermore, when considering the female millennial entrepreneurs this profit target rises even higher to 34.9% - over five percentage points above the overall average.

Interestingly the higher level of ambition among the female millennials is tempered by the baby boomer females who have a target profit expectation of 25.8%. This is markedly lower than the male baby boomer average of 28.1%.

These target numbers only tell part of the story of the entrepreneurial female. Looking at the gross profit targets at a country level, a picture emerges of where the most ambitious female entrepreneurs are operating today.

Top of the list is Turkey with a target goal of 43%. This is followed closely by entrepreneurs in the UK and the Netherlands. Meanwhile, countries that appear to have more modest target level setting among female entrepreneurs are Belgium, Hong Kong and Singapore.

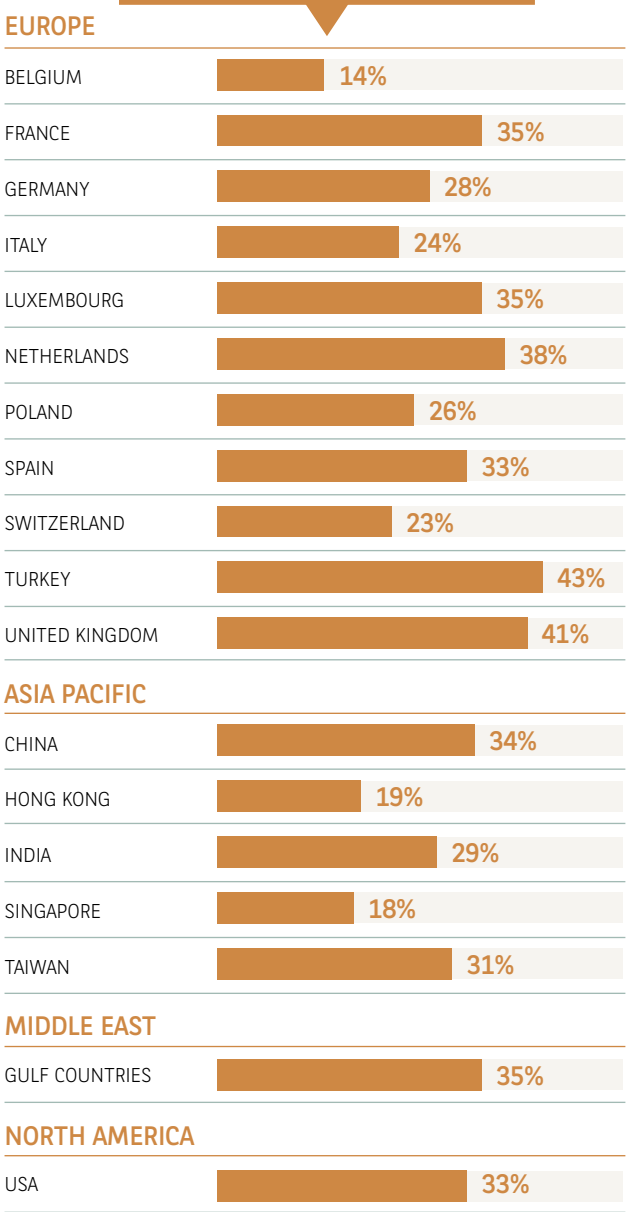
The appearance of Turkey at the top of the roster is eye catching, particularly given that today it appears that Turkey has among the smallest communities for female entrepreneurs. However, with target growth ambitions such as this and high confidence levels among the currently active successful Turkish female entrepreneurs, these pioneer business women may be carving the way open for the next wave of business leaders behind them.

Evidently this perspective of the levels of ambition by country is nuanced. A wide range of factors are likely to influence the results. Among these will be the nature of the industry in which the entrepreneurs operate as well as the local market conditions.

Ultimately, what the insight highlights shows clearly is overall the female entrepreneur has in fact been a more successful operator in the recent years. Moreover, they actually hold a more optimistic outlook on their businesses relative to their male counterparts. Additionally, when considering the female millennials this optimism is even more pronounced.

When reflecting on the level of optimism among the millennials and looking into the future, it would be justifiable to state that the outlook for the female entrepreneur is more positive than their male counterpart based on the input of participants in this research program. Therefore, tracking their progress closely into the future will most likely offer important signposts for us all.

"What do you expect your gross profit margin for 2015 to be?"



IDENTIFICATION OF THE FEMALE ENTREPRENEURS WITH THE MOST AMBITION IN TERMS OF GROSS MARGIN TARGETS – BY COUNTRY

Source: Scorpio Partnership, BNP Paribas.

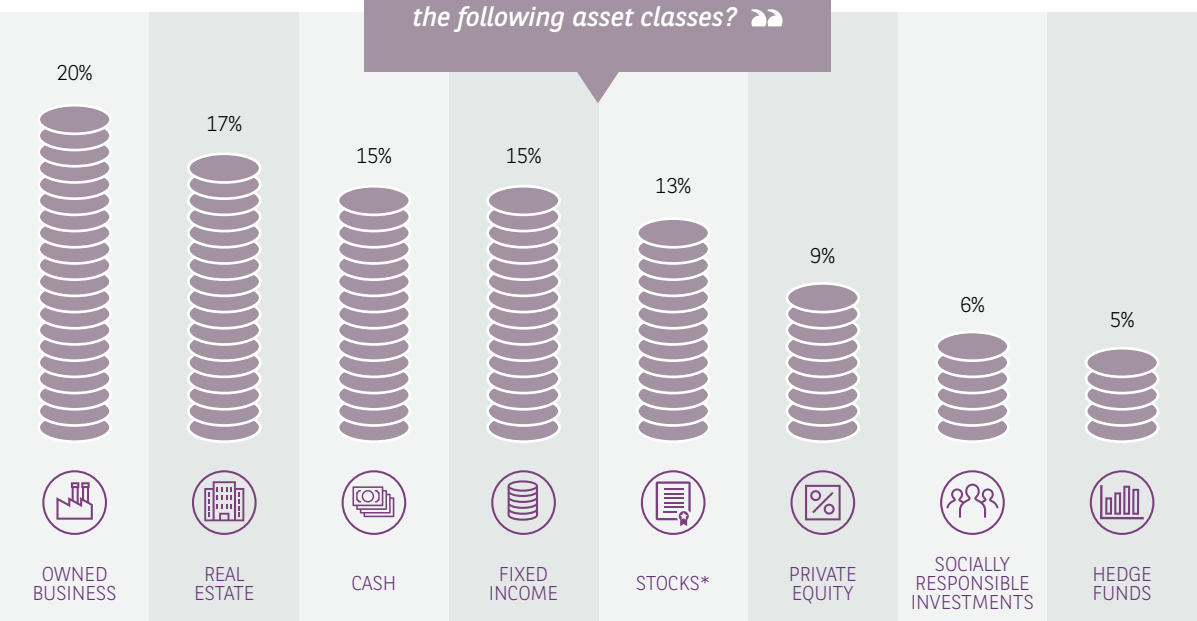
THE 2016 INVESTMENT TRENDS

OF THE WORLD'S SUCCESSFUL ENTREPRENEURS

THE "TOTAL WEALTH" APPROACH

OF ENTREPRENEURS

"What is the current allocation of your financial portfolio across the following asset classes?"



2015-2016 ASSET ALLOCATION OF A SUCCESSFUL ENTREPRENEUR

*** Not including shares from owned businesses.**

Source: Scorpio Partnership, BNP Paribas.

For a successful entrepreneur the concept of managing wealth typically combines the personal and business wealth in one "total wealth" view. Entrepreneurs surveyed explained that this approach reflected better how they addressed their finances in a combined balance sheet.

Compared with last year's findings, what the research this year continued to highlight is that an entrepreneur's total wealth is not significantly tied up in their corporate interests. In fact, only 20% of wealth is linked to the business. The balance is in other asset classes. Interestingly, the weighting is slightly lower than the previous year's entrepreneur weighting which stood at 25% on average.

The broader shift in allocation levels over the past 12 months offers an interesting insight into the mindset of the entrepreneur. The reduced relative weighting in their business could be based on a number of factors. It is possible, for instance, that given that many of the successful entrepreneurs participating this year remarked on strong profit performance in their core business interests, they may have reinvested these profits in other market securities in support of diversification.

Whatever the reason, the assessment of investment flows later in this feature of the report will show where the investment capital of the successful entrepreneur has been heading.

Inevitably, looking specifically at this year's results, the weighting toward business varies broadly by the countries researched. For example, Spanish entrepreneurs have the largest weighting in their total wealth toward their business at 32%. Poland and the Netherlands are both second with 25%.

Aside from the weighting toward business, the distribution of personal capital across the other asset classes researched is revealing. For instance, British and French entrepreneurs have the largest weighting toward real estate (excluding their primary residence) while the Gulf Countries has the largest weighting in cash as well as fixed income.

Meanwhile, the USA has the largest weighting to stocks at 22% while the Dutch have the largest holding in private equity at 18%. Finally, in terms of SRI, Luxembourg entrepreneurs are the most engaged with 17% and in hedge funds Italians top the list with 9%.

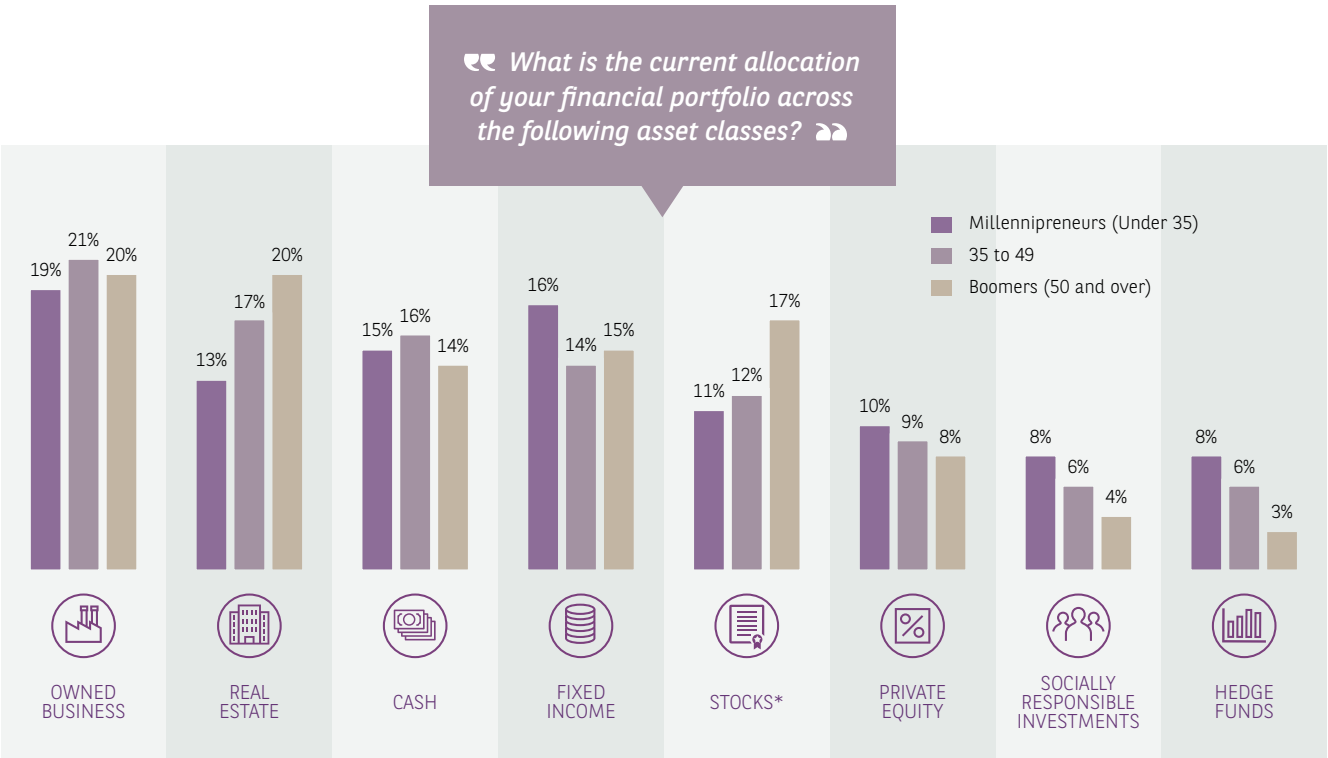
"What is the current allocation of your financial portfolio across the following asset classes?"

	OWNED BUSINESS	REAL ESTATE	CASH	FIXED INCOME	STOCKS*	PRIVATE EQUITY	SRIS**	HEDGE FUNDS
EUROPE								
BELGIUM	10%	19%	13%	23%	11%	15%	4%	5%
FRANCE	18%	21%	9%	17%	12%	11%	6%	7%
GERMANY	24%	14%	17%	17%	11%	7%	6%	4%
ITALY	17%	14%	16%	14%	9%	16%	5%	9%
LUXEMBOURG	19%	12%	13%	17%	11%	3%	17%	8%
NETHERLANDS	25%	12%	11%	12%	15%	18%	5%	3%
POLAND	25%	15%	25%	15%	8%	4%	4%	5%
SPAIN	32%	18%	16%	10%	9%	5%	6%	5%
SWITZERLAND	20%	19%	15%	20%	8%	6%	9%	6%
TURKEY	16%	18%	15%	14%	9%	12%	10%	6%
UNITED KINGDOM	22%	21%	17%	13%	11%	7%	6%	3%
ASIA PACIFIC								
CHINA	22%	14%	15%	16%	14%	6%	7%	6%
HONG KONG	18%	15%	19%	15%	19%	5%	5%	4%
INDIA	23%	16%	13%	15%	11%	10%	6%	6%
SINGAPORE	18%	13%	22%	16%	15%	8%	4%	4%
TAIWAN	19%	15%	24%	20%	10%	3%	6%	4%
MIDDLE EAST								
GULF COUNTRIES	23%	0%	32%	45%	0%	0%	0%	0%
NORTH AMERICA								
USA	21%	18%	15%	11%	22%	7%	4%	2%
Overall global average allocation	**20%**	**17%**	**15%**	**15%**	**13%**	**9%**	**6%**	**5%**

2015-2016 ASSET ALLOCATION VARIATIONS BETWEEN COUNTRIES

Note 1: Majority of GCC respondents opted out of providing the allocation breakdown of their financial portfolio.
Note 2: Rounded values.
*** Not including shares from owned businesses.**
**** Socially Responsible Investments.**

Source: Scorpio Partnership, BNP Paribas.



2015-2016 ASSET ALLOCATION VARIATIONS BETWEEN GENERATIONS

*** Not including shares from owned businesses.**

Source: Scorpio Partnership, BNP Paribas.

A significant observation of entrepreneurial allocations always centres on the levels of liquidity in the total portfolio. When considering the overall mix of investments, as much as 51% of the global average allocation of successful entrepreneurs is in relatively illiquid asset classes. For this calculation the holdings in business, private equity, real estate and hedge funds have been included.

The balance between liquid (assets more easily tradeable on the market) and illiquid investments may explain why there is a relatively high allocation to cash among all entrepreneurs. In all markets the cash weighting ranges between 9% (France) and 32% (Gulf Countries).

With this lens on low liquidity levels, the markets that top the charts here include Spain (60% - illiquid), the Netherlands (58% - illiquid), France (57% - illiquid) and Italy (56% - illiquid). The results suggest that this tendency toward lower levels of liquidity appear to be more common among the European entrepreneurs. Indeed, at the other end of the spectrum the entrepreneurs with the highest relative liquidity levels are Taiwan (41% - illiquid), Hong Kong (42% - illiquid) and Singapore (43% - illiquid).

A final insight lens on the asset allocation patterns of successful entrepreneurs is through the differences between generations. What is interesting to see is that the Millennial entrepreneurs have the highest combined weighting to hedge funds and private equity which sums to 18% compared with 15% for entrepreneurs between the age of 35 years and 50 years while baby boomer entrepreneurs hold 11% on average.

Another area of marked differences is in the weighting toward stocks and real estate. In both instances the baby boomer generation holds the most with 17% and 20% respectively while the millennials hold the lowest levels. To an extent this is unsurprising given the well documented preferences among the older generations for real estate as an asset class and also the widely accepted longer term returns generated through equity.

THE APPETITE AND PREFERENCES

FOR INVESTING IN BUSINESSES

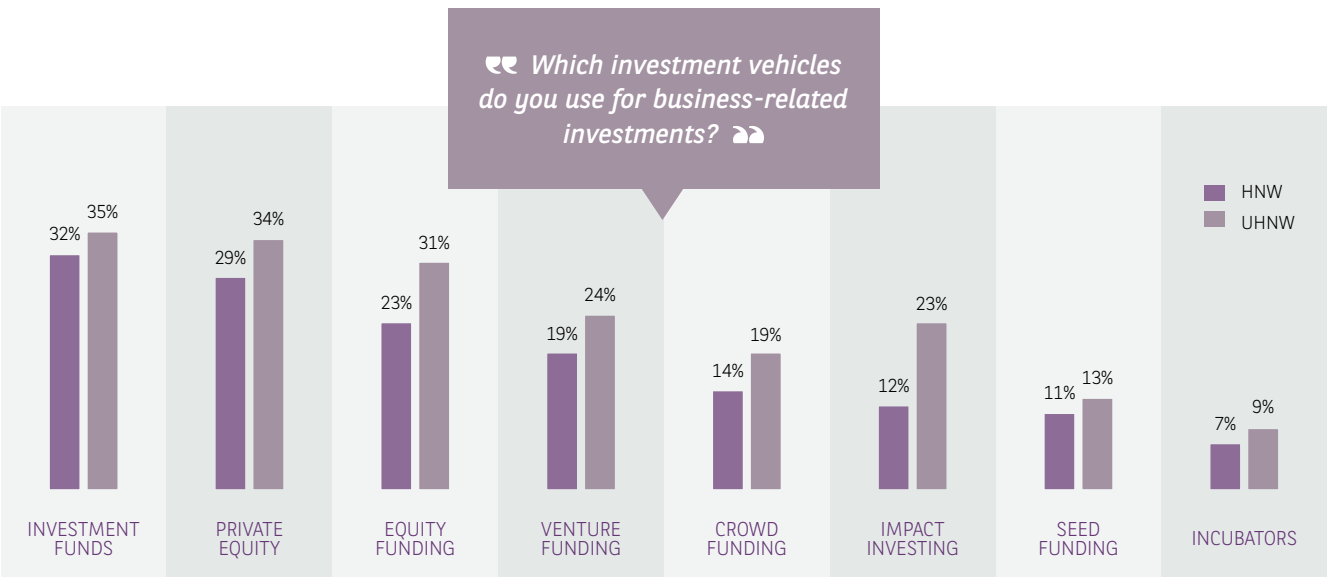
In terms of experience in realising wealth through the sale of a company, it is of note that among the 2,594 successful HNW and UHNW entrepreneurs participating in this year's research program 30% had sold at least one of their businesses. This finding may challenge many reader's assumptions that the majority of entrepreneurs simply generate their fortunes through corporate disposals.

Interestingly, this ratio of 30% is relatively consistent among the entrepreneurs when considered by the filters of age, location and wealth level. The younger entrepreneurs have a slightly higher level experience in selling their businesses, rising to 36% while entrepreneurs between the ages of 40 years to 49 years have the lowest incidence at 24%.

The consistency only really significantly shifts when considering this factor at a country level. For instance, Hong Kong is the market leader with 42% of entrepreneurs having experienced a sale of one of their businesses. Turkey (38%) and Luxembourg (38%) are a close joint second. Markets with the lowest experience of a business sale are Taiwan (15%), Spain (19%) and Germany (22%).

The learning from this is that, overall, successful entrepreneurs overwhelmingly appear to approach the concept of wealth creation through business ownership as a long-term holding. Indeed, over a third of entrepreneurs (37%) acknowledged that they have never valued their businesses. For entrepreneurs, it is not simply about a quick crystallisation of value through the sale of their business.

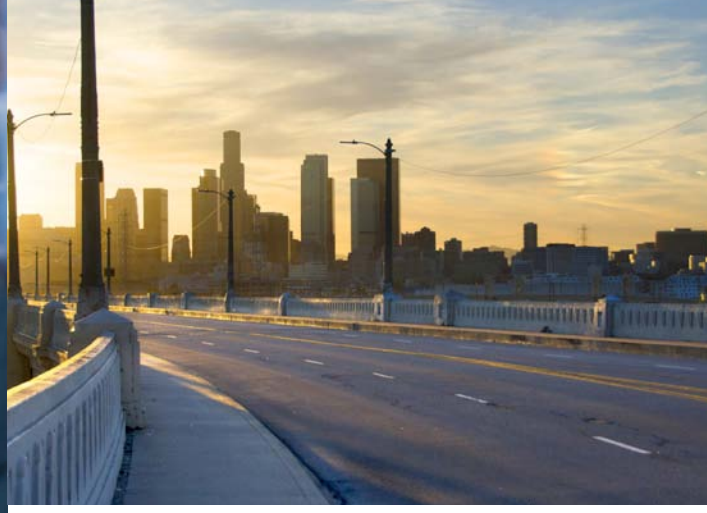
This attraction to long-term business ownership carries over into how entrepreneurs invest in other private companies. With this as a context, it is interesting to consider the appetite for buying into other businesses and the preferred investment vehicles. Notably, there are differences in the preferred investment approach between HNW entrepreneurs and UHNW entrepreneurs. Overall, it appears that UHNW entrepreneurs are more engaged in all forms of private enterprise investments.



PREFERRED INVESTMENT CHANNELS FOR ENTREPRENEURS INTO OTHER PRIVATELY HELD BUSINESSES

Multiple selection option. The results are a representation based on levels of wealth set at HNW and UHNW.

Source: Scorpio Partnership, BNP Paribas.



What is notable is the overall strong appeal of private equity, venture funding and crowd funding. While the first two formats are relatively well used by investors, the latter is a relatively new format of deploying capital in the entrepreneurial arena and is gaining traction. All three vehicles seek to gain access to corporates typically at a relatively early stage in their external capital requirements.

Looking further into the three areas of investing it is notable to trace the different levels of appetite for each among the generations and even regionally. For instance, specifically in relation to crowd funding this is clearly a younger entrepreneur's route to investing. The appetite drops to below 5% among the over 60 year old entrepreneurs. Although it is noteworthy crowd funding actually has markedly higher levels of popularity among the UHNW wealth tier compared to HNWs.

Ultimately, the primary preferred investment vehicle into the private business arena is through private equity across all markets. The one exception is in Asia where venture funding comes in slightly ahead. It appears that here the entrepreneurs are attempting to tap into more opportunity earlier in the business cycle. Finally, it is also intriguing that Asia has the highest preference for crowd funding.

Moving deeper into the analysis of the areas where entrepreneurs are deploying their funds into unlisted opportunities via these three investment vehicles, it is interesting to trace their activities by industry sector.

The previous chart illustrates the preferred routes to market for private company entrepreneurial investing today. While private equity inevitably leads in most sectors, there are industries where entrepreneurs appear to prefer either venture funding or crowd funding ahead of it.

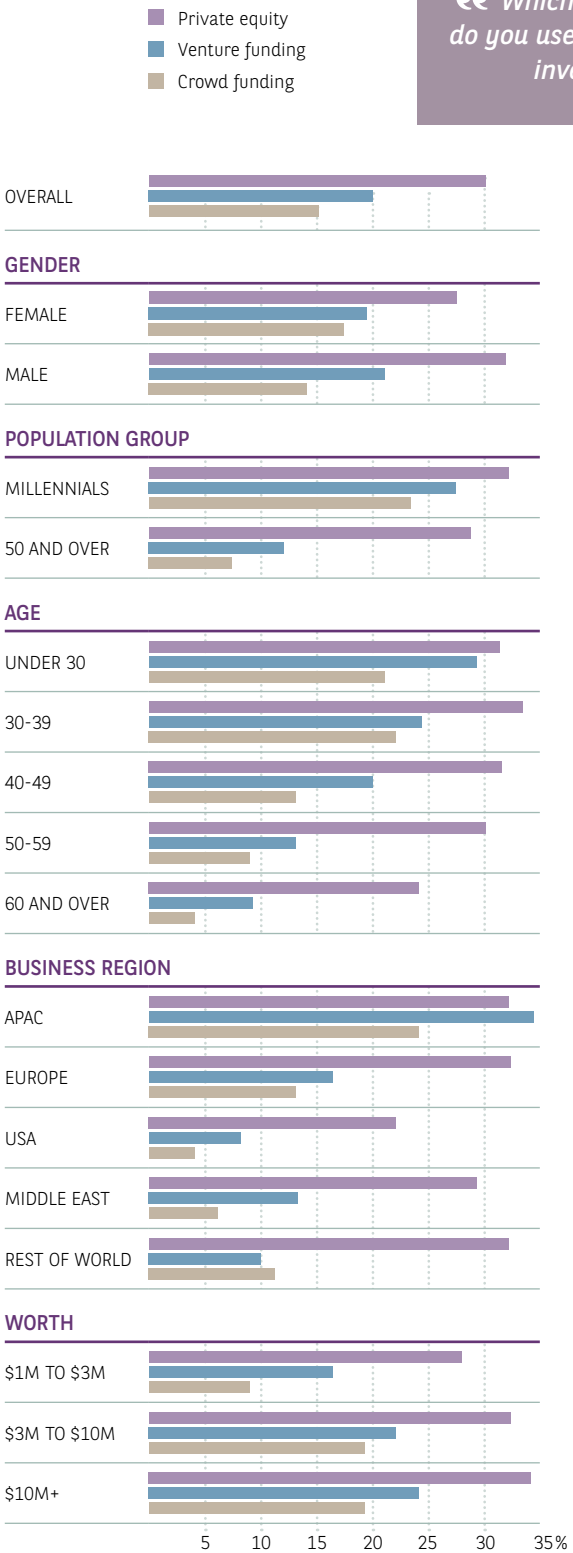
For instance, the automotive and mobile app sectors are more accessed by venture funding. Meanwhile, crowd funding comes out on top in aerospace, biotech and life sciences. Another notable peak in crowd funding is in the sector of sustainable business. In all of these areas it is clear that the successful entrepreneurs are hunting for much earlier stage opportunities.

Separately, where the grouping of the three types of investment vehicles is close and at a relatively high level of usage, this also hints at industries where entrepreneurs as a group may be converging in their pursuit for investment opportunity. For instance, the sectors of agriculture, life sciences, mobile apps and, to a degree, media and biotechnology all have close groupings. This correlates with broader public coverage of these sectors as attractive growth opportunities for all investors.

Finally, needs to be placed in the context that the overall allocation to unlisted investments is a relatively small weighting in the entrepreneur's total investment portfolio. The average rests at 8.9% in 2015 with the peak market allocation being the Netherlands at 18%.

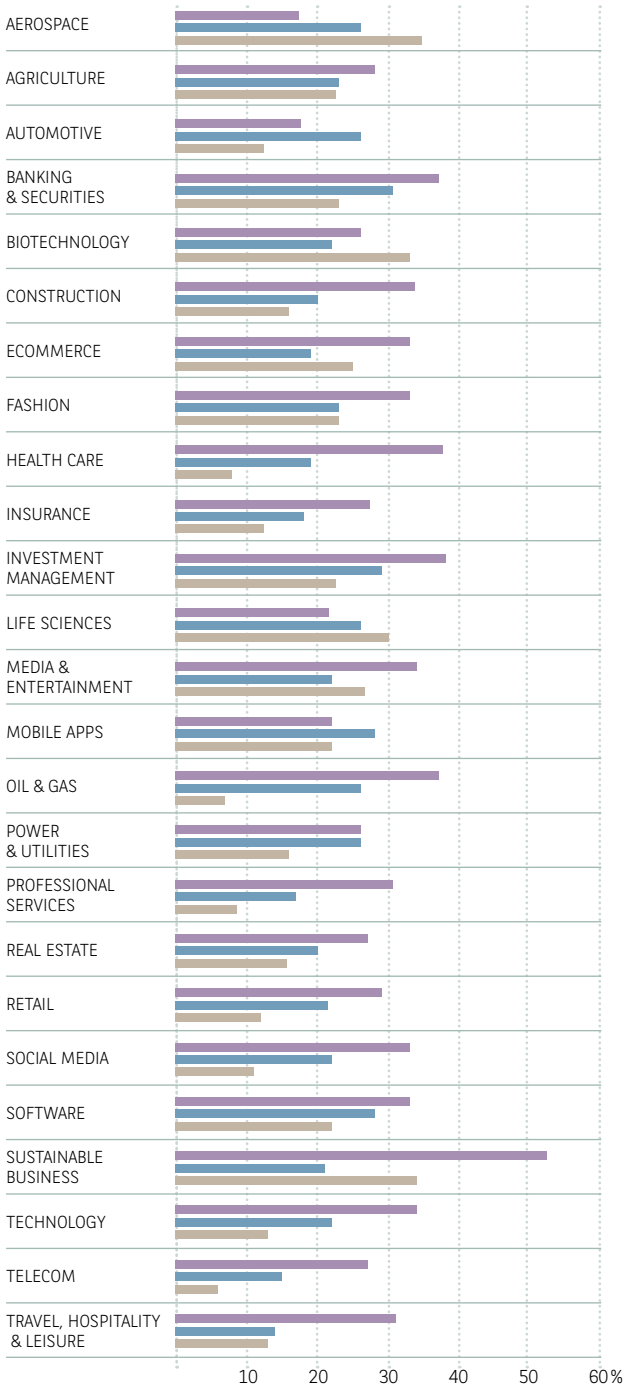
Nonetheless, given the expertise of these successful entrepreneurs in developing their own business interests within their chosen fields of excellence following their own actions in private investments is clearly an interesting sign post for others seeking to participate. Equally, given the higher cash weightings of most entrepreneurs across the markets it is likely that beyond redeploying the capital directly into their own business interests, the second preferred route, according to entrepreneurs interviewed, is to place funds in this sector of investments.

Which investment vehicles do you use for business-related investments?



PREFERENCE LEVELS FOR PRIVATE EQUITY, VENTURE FUNDING AND CROWD FUNDING AMONG ENTREPRENEURS

Note 1: Multiple selection option. Results focus exclusively on three investment formats.
Note 2: The results above do not reflect the investors' weighting in each investment vehicle.
Source: Scorpio Partnership, BNP Paribas.



USAGE OF PRIVATE EQUITY, VENTURE FUNDING AND CROWD FUNDING AMONG ENTREPRENEURS WITHIN SPECIFIC INDUSTRIES

Note 1: Multiple selection option. Results are then correlated against industry experience of the entrepreneur.
Source: Scorpio Partnership, BNP Paribas.

THE GEOGRAPHIC INVESTMENT FLOWS

OF ENTREPRENEURS

Aligned with the assessment on investing into private business enterprises in specific industry sectors it is also productive to consider the overall investment flows of entrepreneurs worldwide.

In 2014 the top investment geography for entrepreneurs was Asia Pacific excluding Japan followed by Western Europe and North America. In 2015 the rankings have not changed. However, the total volume of capital invested and the allocation of funds in each market region has shifted notably.

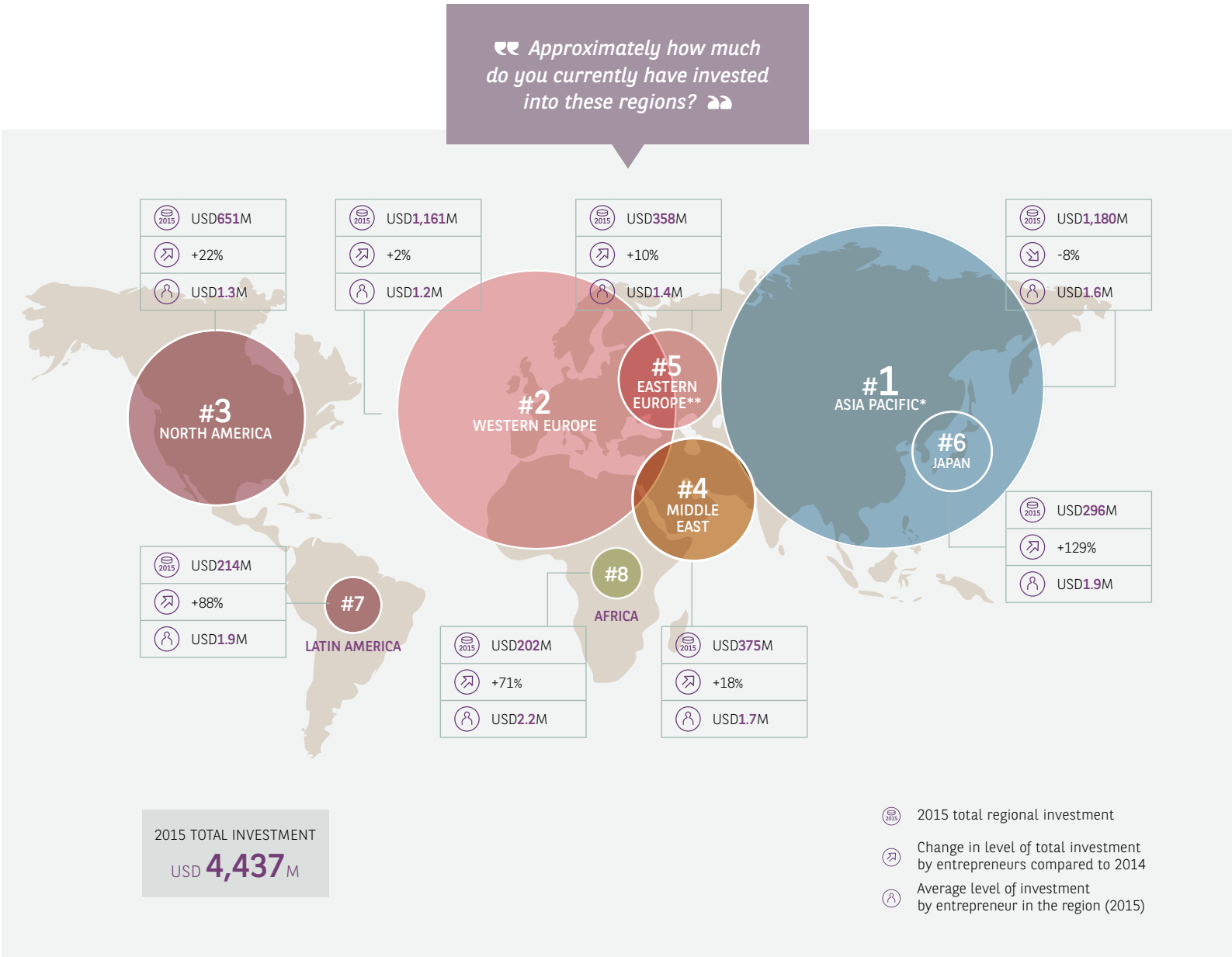
Overall, this year as an investor group, entrepreneurs appear to have increased the volume of their investment globally by 12% in the past 12 months. This may reflect the good year that many of their businesses have had.

In terms of how this capital is distributed globally, the big winners in relative terms have been Japan, Latin America and Africa. The region which experienced a relative decline in overall allocations was the APAC region (excluding Japan) while Western Europe was effectively flat. Both of the latter regions maintain the largest overall fund pools sourced to entrepreneurs and represent 53% of all investments made by entrepreneurs either in other business enterprises or the investment market.

Beyond assessing the trends linked to the absolute volume of entrepreneurial investment capital being ploughed into each regional area, the scale of the average investments by the entrepreneurs in each region also provides a fascinating insight into how they are viewing the markets.

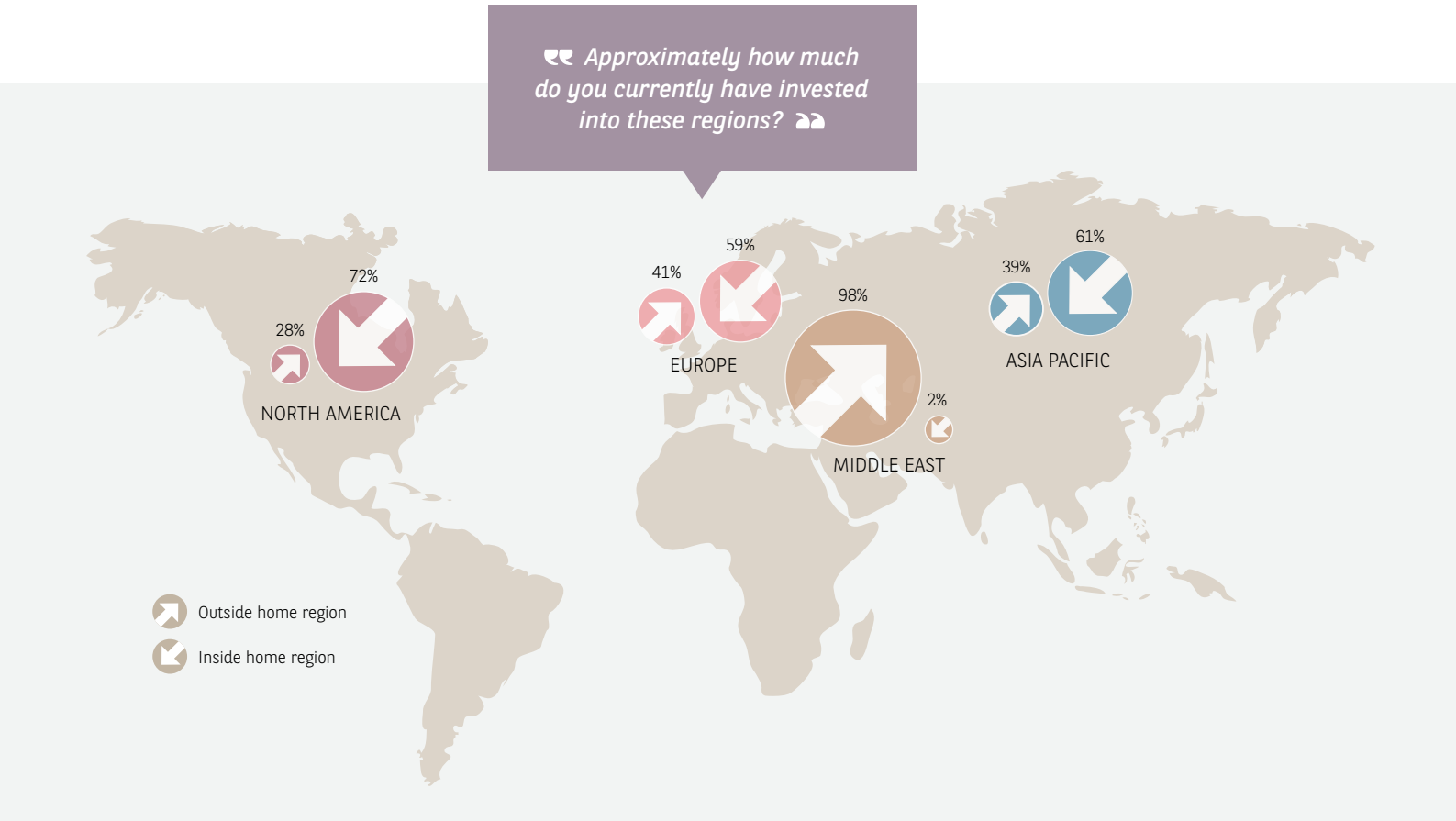
For example, the average investment made by entrepreneurs in the regions of Africa (USD2.2M), Latin America (USD1.9M) and Japan (USD1.9M) topped the rankings this year. The lowest average investment levels were posted for Western Europe and North America. Such datapoints could be a forward indicator on the expectations of how those regions will perform in the eyes of the entrepreneurs.

Clearly, entrepreneurs are making larger bets on some selectively riskier markets.



GLOBAL ENTREPRENEURIAL INVESTMENT FLOWS IN 2015

Repeated use in 2014 and 2015 research programs. The sum total of the responses reflects the total regional investments.
Note 1: The average investment calculations have been made by dividing the number of investors with allocations in the specific region against the sum total for that region.
Note 2: The % change is calculated through a comparison between the total invested funds in the respective region between the two research years.
Note 3: The participants in each research period in 2014 are not necessarily the same participants in 2015.
Therefore the data points cannot be seen as an absolute like-for-like comparison and should be seen as a trend indicator.
* (Excl. Japan) **(Incl. Russia)
Source: Scorpio Partnership, BNP Paribas.



THE BALANCE OF INVESTMENTS BETWEEN HOME AND ABROAD

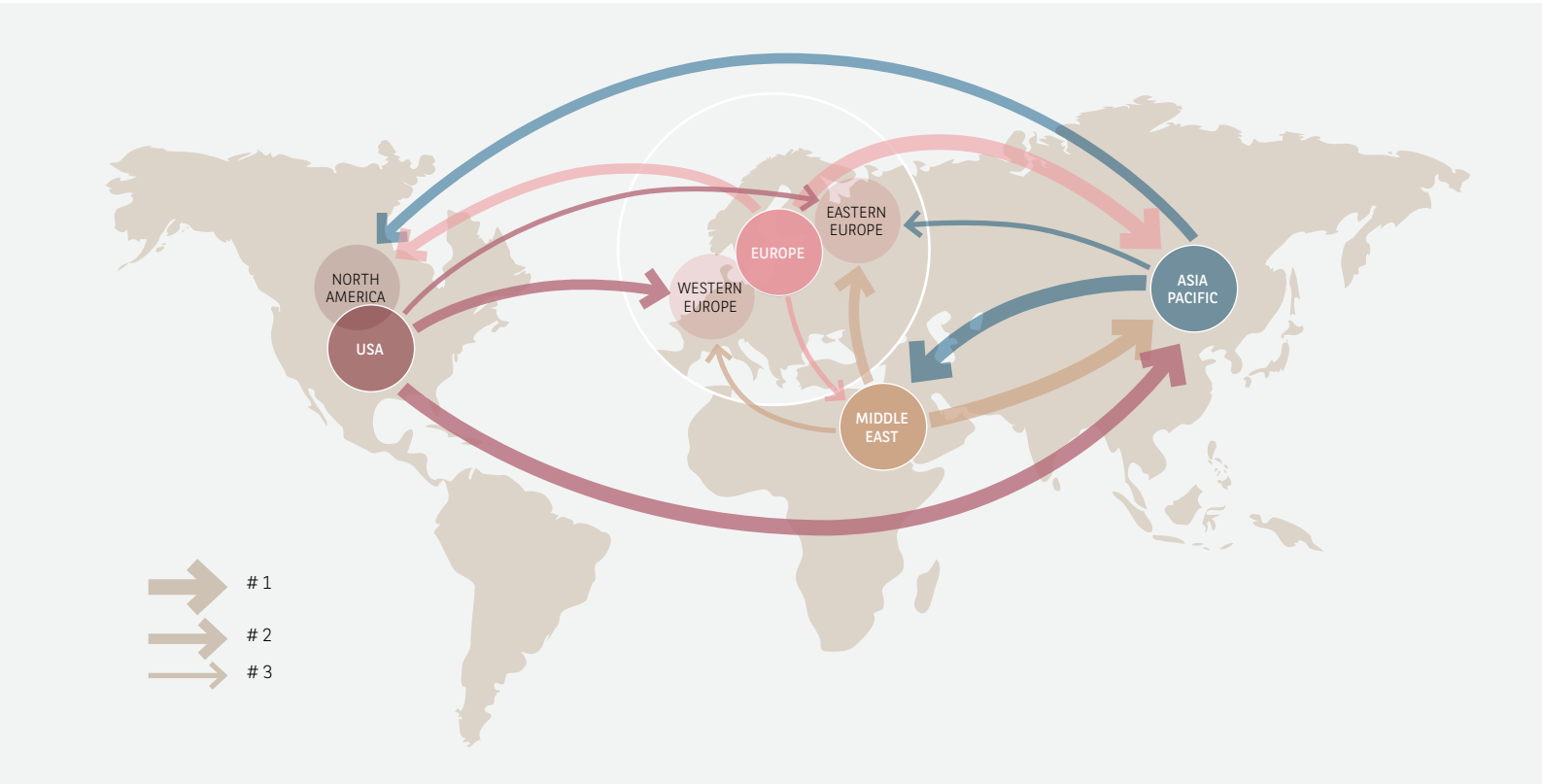
Note 1: The % weighting between home and abroad was determined by correlating the sum of capital invested in the home market versus the sum of capital invested outside.
Source: Scorpio Partnership, BNP Paribas.

Aside from the fund flows it is also interesting to determine the relative weighting of entrepreneurial investment within their home market base relative to abroad. When countries where entrepreneurs operate are grouped together into the four market regions above a pattern clearly emerges. In 2015 the dominant focus for virtually all entrepreneurs is in their home region.

However, the scale of balance between their home markets and further afield has shifted markedly for both Asia Pacific and European entrepreneurs between 2015 and 2014. Last year, for instance, the APAC ratio for international markets to home markets was 24% to 76%, while for Europe it was 18% to 82%.

This shift in weighting hints at an increased appetite for entrepreneurs this year to seek out opportunities and returns beyond their region. It may also hint, in some cases, at a view that their regional returns and activities may need to be better diversified.

Finally, beyond the relative weighting between the home market regions and international opportunities, it is relevant to track which market regions are favoured most by entrepreneurs. When focusing on the four main regions of Europe, USA, APAC (including Japan) and the Middle East which encompasses the countries under review an interesting snapshot of fund flows emerges.



TOP DESTINATIONS OF ENTREPRENEURIAL INVESTING OUTSIDE THE HOME REGION

Note 1: The top three regions were selected beyond the home markets.
Note 3: APAC includes Japan for this chart.
Source: Scorpio Partnership, BNP Paribas.

Notably, beyond the home market bias, both European and APAC-based entrepreneurs are attracted to the Middle East. In the case of the latter, this appeal is reciprocated by Middle Eastern entrepreneurs who prefer to focus their investment allocations on APAC opportunities.

In sum, studying the approach to investments by the world's most successful entrepreneurs offers an insight into their perspective on both their own business fortunes and the world at large. At a high level the allocation patterns of entrepreneurs typically have not adjusted greatly on a year-to-year basis but the details of the underlying investments have shifted.

This year it appears that the entrepreneurs are favouring some more adventurous allocations to earlier stage businesses and also in markets that are typically less well travelled by the mainstream investor. Given the pioneering spirit that is engrained in the DNA of these entrepreneurs it is hardly surprising they are prepared to venture into territories that others may fear to tread.

IN CONCLUSION

This year, the **BNP Paribas Global Entrepreneur Report** has sought to develop a deeper understanding of the trending perspectives of successful entrepreneurs across the globe.

The Global Entrepreneurial Wealth Creation Heatmap now offers even greater detail into the critical dynamics within each of the countries examined in terms of the entrepreneurial environment for business owners. The heat map also sheds much needed light on future opportunities for any individual seeking to set out on the entrepreneurial path.

Beyond the country-by-country evaluation this year the report has analysed the inter-generational similarities and contrasts of entrepreneurs. The assessment has coined a new term to describe what, in our opinion, is likely to become a distinct grouping of entrepreneurs that will shape the future economic success stories – these are the Millennipreneurs. These individuals are no longer the lieutenants of the entrepreneurial army, they are among the captains and even the generals.

The research has highlighted these individuals may be close to reaching their prime in terms of entrepreneurial endeavour. Along the way, they appear to have learnt well from their predecessors. Moreover, their approach to wealth creation through private enterprise has not been unstructured. They have set out with clear objectives on their ambitions and, according to the input of this year's participants, they are not only well on the path to great success but they are also openly exploring new opportunities.

Critically, this focus on millennials in this year's report has sought to reconstruct the impression of this group of business owners. All too often this generation is classified simply as a digitally obsessed audience with a desire to build enterprises simply leveraging aspects of the dot.com arena. The findings here show clearly that this is not the case. These entrepreneurs are as comprehensive and diverse in their approach and effort as the older generations that precede them.

Indeed, the results show that the millennials are running bigger businesses particularly in terms of headcount – often in very traditional industry sectors – than their predecessors. While technology plays an inevitable part for many, the Millennipreneurs appear to be motivated by making a much greater impact through their enterprise than simply building companies based around a few people and a laptop.

Along with the Millennipreneurs the report has turned a much needed spotlight on women entrepreneurs. The findings demonstrate very clearly that the objectives, actions and results of women in business deserve this attention. Indeed, the results suggest that women entrepreneurs in fact are more ambitious and, arguably, more successful in relative terms to their male peers.

But moving beyond simplistic point scoring between the sexes, what the assessment of women entrepreneurs suggests very clearly is that there is a significant emerging cadre of female Millennipreneurs and a growing population of women in business overall. The younger generation also has the benefit of being able to follow in the footsteps of trail blazing baby boomer women in business and is now spreading out. For all those involved, these are extremely exciting times.

Indeed, the findings in relation to women in business alongside millennials is one of the most encouraging outcomes of the research this year because it has often been remarked on by other women in business that there was a lack of role models among other women.

With the evidence emerging from this year's BNP Paribas Global Entrepreneur Report, it is reasonable to suggest that there are sufficient role models to have sparked the business owning enthusiasm among up-and-coming female entrepreneurs, and these younger entrepreneurs are racing forward.

Finally, this year the report also retraced the investment patterns of entrepreneurs across the globe. The findings showed that there has been a marked shift in interest toward a number

of regions that have not had as much media coverage – these include Africa, Latin America and even Japan.

In addition, the assessment this year also turned its attention to how entrepreneurs are investing within the private enterprise arena. The focus on the different vehicles of private equity, venture funding and even crowd funding hint at the entrepreneurial expectation of a very dynamic future for certain sectors.

As is always the case with research into the hearts, minds and actions of the most successful business people in the world the results offer a tantalising glimpse into the future. There is no certainty that this future will be fully realised. Moreover, there is so much more that could have been written based on the responses gathered. Ultimately, these dynamic individuals have a strong likelihood to take us to new places, new concepts and new outcomes. For those that are prepared to do so, following close behind these fascinating leaders will be an interesting journey.

FACTOR EXPLANATIONS FOR THE HEAT MAP (pages 12-13)

Age when considering to start business	This factor assesses the attribute of interest in the possibility of being an entrepreneur. The assessment of the age of interest is a reflection of the general sense of appeal of becoming an entrepreneur.
Age when starting a business	This factor assesses the attribute of interest in transitioning into first becoming an entrepreneur and the time gap between the initial thought and the action. The assessment of age and the time gap to launching indicates a broader supportive culture of entrepreneurialism.
History of entrepreneurialism in the family	This factor examines the influence of the family on the path of entrepreneurialism. The assessment determines how strong this link of family background is with each country and the influence of family on decision making, capital and access. The result also highlights which markets have a higher incidence of first generation entrepreneurs.
Proportion of total wealth in business assets	This factor determines the current share of business assets in the total wealth portfolio. This share represents the importance of the business assets to the overall wealth creation. This data is considered alongside the current wealth level and future wealth objectives. The assessment determines the contribution of entrepreneurial activities.
Average turnover of primary business (USD M)	This factor highlights the financial scale of entrepreneurial activity among entrepreneurs within the country. Along with further analysis of the distribution of business interests domestically and abroad this can determine the strength of the home nation to supporting entrepreneurialism.
Average number of companies started	This factor highlights the rate of entrepreneurial activity among individuals in the country. The quantity of companies is not considered alone. It is also evaluated against the scale of the value of the companies held by the entrepreneurs. This assessment provides an indication of the approach to entrepreneurialism in terms of developing a limited number of larger enterprises or a broader diversification of interests.
Expected 2015 gross profit margin	This factor examines the target margin expectations of the business owners. This data is considered alongside the performance of the business in the past 12 months and the anticipated performance of the business in the coming 12 months. This assessment demonstrates the performance of entrepreneurs' businesses within their home nation.
Corporate social responsibility importance (out of 10)	This factor examines the level of importance ascribed by entrepreneurs on corporate social responsibility which is fast becoming a major force of change in the approach to business management. The assessment illustrates the strength of culture and also the perceived openness of business leaders to support a new form of entrepreneurialism.
Business performance in the past 12 months	This factor examines the proportion of entrepreneurs who have experienced an increase in profitability in their business interests during the past 12 months. The assessment determines the strength of their businesses and is considered alongside target profit margins and future business performance confidence.
Business performance in the next 12 months	This factor examines the proportion of entrepreneurs who expect an increase in their business profits in the coming 12 months. The assessment determines the confidence levels of entrepreneurs and is considered alongside target profit levels as well as the performance levels of the previous 12 months.
Average current worth	This factor examines the current average personal net worth of the entrepreneurs. The assessment supports cross analysis with other factors to determine the strength of wealth creation among the entrepreneurs in the country.
Average global investments (USD M)	This factor examines the level of global investments made by entrepreneurs relative to their stated net worth. The assessment is an indicator of the strength of wealth creation ambition among the entrepreneurs in both their own country and international markets.

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In a world that is ever-changing, ever-evolving, entrepreneurs need to build their wealth strategy with a partner they trust.

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We implement a roadmap for the development, the protection and the passing-on of your corporate and personal wealth. We are here to advise you every step of the way.

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The firm specialises in understanding the wealthy and the financial institutions they interact with. We have developed four transformational disciplines – **SEEK**, **THINK**, **SHAPE** and **CREATE** – each designed to enable business leaders to strategically assess, plan and drive growth. The solutions Scorpio Partnership develops regularly win awards for its institutional clients and help them financially profit.

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