



FUELLING HIGH-TECH STARTUPS

BUILDING THE CAPACITY OF MSMES
THROUGH TECHNOLOGY AND INNOVATION

DR. ELIZABETH NEWTON, DR. JONATHAN BERKOWITZ,
ALEXANDRA MANN, CHARLIE SHI



ASIA PACIFIC
FOUNDATION
OF CANADA

FONDATION
ASIE PACIFIQUE
DU CANADA





■ TABLE OF CONTENTS

ABOUT THE ASIA PACIFIC FOUNDATION OF CANADA	4
ABOUT THE AUTHORS	5
INTRODUCTION	8
SECTION 1: YOUNG CANADIAN ENTREPRENEURS	10
SECTION 2: YOUNG APEC ENTREPRENEURS	17
SECTION 3: BUILDING UNDER-30 ASIA PACIFIC ENTREPRENEUR PARTNERSHIPS	22
SECTION 4: INVESTORS	32
SECTION 5: MENTORS	42
SECTION 6: FUELLING HIGH-TECH STARTUPS BEST PRACTICE ACTION STEPS	49
APPENDIX: INTERVIEW QUESTIONNAIRES	54



■ ABOUT THE ASIA PACIFIC FOUNDATION OF CANADA

THE ASIA PACIFIC FOUNDATION OF CANADA is dedicated to strengthening ties between Canada and Asia with a focus on expanding economic relations through trade, investment, and innovation; promoting Canada's expertise in offering solutions to Asia's climate change, energy, food security, and natural resource management challenges; building Asia skills and competencies among Canadians, including young Canadians; and improving Canadians' general understanding of Asia and its growing global influence.

The Foundation is well known for its annual national opinion polls of Canadian attitudes regarding relations with Asia, including Asian foreign investment in Canada and Canada's trade with Asia. The Foundation places an emphasis on China, India, Japan, and South Korea while also developing expertise in emerging markets in the region, particularly economies within ASEAN.

Visit APF Canada at <http://www.asiapacific.ca>.



ABOUT THE AUTHORS

DR. ELIZABETH NEWTON is a Registered Psychologist with a strong interest in entrepreneurship. She has more than 20 years experience working with start-ups and larger organizations across Canada. Elizabeth started her consulting career in San Francisco while earning her Ph.D. at Stanford University. Since returning home to Vancouver, she has been involved in a wide range of projects that include: a) grooming high potential successors, b) psychological assessments, c) executive retreats, d) leadership training and e) innovative market + research projects.

Elizabeth has been a consistently top-rated teacher in undergraduate, graduate and executive education programs with classes in Entrepreneurship, Organizational Behaviour and Psychology. She built the grant-winning 'E101' program at UBC where students develop their own ventures and learn from local entrepreneurs.

Dr. Newton is also an award-winning writer whose columns and articles have been featured in a wide range of magazines and newspapers. She has long volunteered in the community, with a strong focus on kids and the arts. Elizabeth founded and runs the prize-winning Creators Vancouver, an online magazine celebrating the unique creativity of Vancouver: People, Places & Food.

JONATHAN BERKOWITZ (Ph.D. University of Toronto) is a Full-Time Lecturer with the Sauder School of Business, and Associate Member of the Department of Family Practice (Faculty of Medicine), both at the University of British Columbia. For thirty years, he has also been a consulting statistician in private practice with Berkowitz & Associates Consulting Inc. He has been involved in a wide range of collaborative and interdisciplinary research and consulting in health care and medical research, social science, engineering, and biotechnology, transportation, management consulting, and law, offering advice on experimental design, survey sampling methodology, program evaluation and statistical analysis. He has a proven reputation in the application of sound statistical procedures from project design to final analysis and reporting.

Dr. Berkowitz is recognized as an outstanding teacher, having won the Killam Teaching Prize for undergraduate teaching and CGA Graduate Master Teacher Award (for MBA teaching), both at Sauder, as well as many awards and commendations from students. He has also taught short courses and workshops for public and private sector groups. His passion for teaching extends to younger audiences, with regular performances in school classrooms.

Dr. Berkowitz has a long track record of volunteerism, including serving as president of various communal organizations. While numbers are his vocation, words are his avocation, and he shares his passion for puzzles and words games widely. He is an active member of the National Puzzlers' League, and he entertains and educates about wordplay as The Word Guy on CBC Radio's North by Northwest.

ALEXANDRA MANN is a British and American international student from Hong Kong studying at The University of British Columbia. She is due to receive a Bachelors of Psychology in May and will begin an accelerated Masters of Management degree in June with the Sauder School of Business's Robert H. Lee Graduate School. Alex is an active and vocal advocate and community builder on UBC's Campus having been involved with student politics for 4 years. She also founded and directed a department within UBC based social entrepreneurial venture, The Calendar. It is the most effective community building student group on campus, able to reach thousands, with the goal of helping them feel a sense of belonging. During her time with the start-up she directed student engagement on events such as UBC Homecoming, UBC Winter Classic, UBC's Reconciliation Pole Instillation Ceremony, UBC Snowball Fight and UBC Polar Bear Swim. She was later scouted to join UBC's new Campus Experience Department where she took part in producing campus traditions. Alex is passionate about entrepreneurship, social advocacy, supporting women in business and work that helps make people feel less alone.

CHARLIE SHI is a student at law (J.D.) who received his B.Com with honours from UBC's Sauder School of Business. He is a serial entrepreneur who has founded 3 startups in Vancouver in the tech and gaming industry, an avid gamer, and the Co-Founder of UNIVRS Inc., the first virtual reality (VR) entertainment lounge in Vancouver. His background lies in enterprise hardware distribution, casual and competitive gaming (eSports), procurement and inventory management for PCs, as well as digital and social media marketing for technology-based companies. In 2011, Charlie launched his first NPO, the Vancouver Gaming League, to bring together gamers from across the lower mainland to participate in events and compete in tournaments to raise funds for charity through video games. From there, Charlie has dedicated his time to focus on his passion for technology and gaming in various ventures and competitions, including winning the Enterprize 2013 EA games case competition and becoming a Finalist in the 2017 EO Global Student Entrepreneurship Awards. In his free time, he is also assisting low-income individuals as a volunteer clinician at the Law Students Legal Advice Program (LSLAP).



INTRODUCTION

Entrepreneurial success has never been easy. Startup failure estimates range from 60 to 79 percent. Yet, when lightning strikes—when new products and services meet the demands of eager consumers—entrepreneurs can change their own lives, the innovation profile of their countries, and the course of history.

The hours, the status quo, the doubters, the wrong turns—the entrepreneurial lifestyle can take a toll. But it’s a lifestyle that can advantage innovative, energetic young people. As technology links distant countries, high-growth venture opportunities open up to people who might otherwise face limited work options—women, racial minorities, the economically disadvantaged.

Entrepreneurship is also a viable alternative to unemployment. Global unemployment for young people between the ages of 15 to 24 is said to be around 71 million. The International Labour Organization estimates that halving this youth unemployment could add more than US\$2.2 trillion to global gross domestic product (GDP).

In our Fuelling High-Tech Startups study, we were interested in studying entrepreneurs under the age of 30 in Canada and in Indonesia, Peru, the Philippines, and Vietnam—priority countries for Canada’s development assistance in the Asia-Pacific Economic Cooperation (APEC) region. Our goal was to learn more about what can be done to help these young entrepreneurs succeed. How can we tap into the power of the global startup community and strengthen entrepreneurial bonds across the Pacific?

First, we spoke to 91 young entrepreneurs from Canada and 44 from Indonesia, Peru, the Philippines, and Vietnam to find out about their startup motivations, concerns, obstacles, and opportunities, as well as their interest in collaborating with fellow entrepreneurs across the Pacific.

Next, we interviewed 25 investors (because a lack of funds is a common challenge for entrepreneurs worldwide), to find out what influences their decisions to invest in young entrepreneurs from Canada, Indonesia, Peru, the Philippines, and Vietnam.

It can be difficult for young entrepreneurs to find seasoned entrepreneurs and business experts to guide them through launch and growth. As a final step, we spoke to 26 experienced Canadian business people, so-called mentors, who are either active in mentoring young entrepreneurs or qualified to do so, to learn about their concerns and interests in working with young entrepreneurs from across these APEC economies.

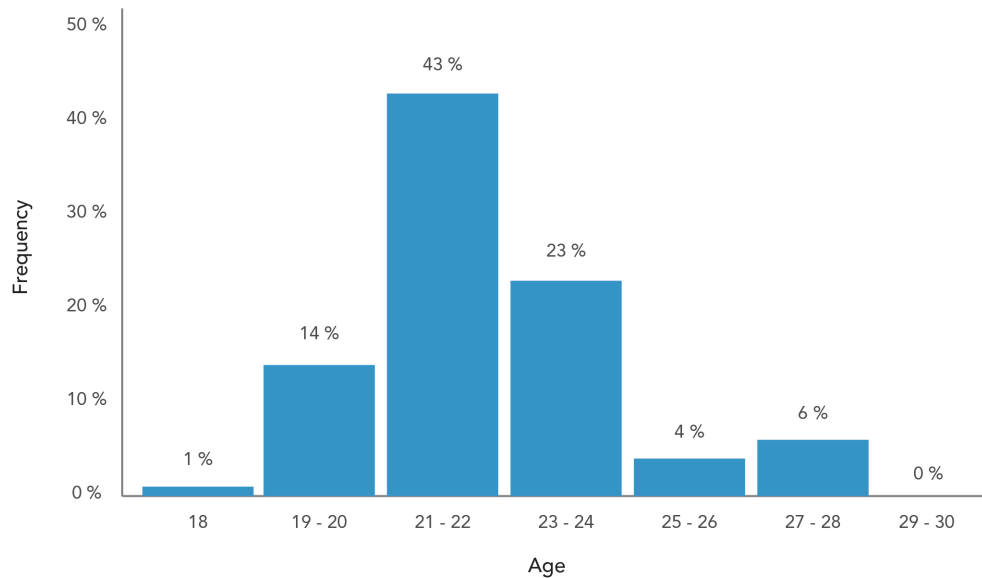
Armed with rich input from these three groups, we can start to develop concrete recommendations as to how young APEC entrepreneurs can enhance their own chances for success and how the Canadian business community, government, post-secondary institutions, and other interested stakeholders can support them.

SECTION 1

YOUNG CANADIAN ENTREPRENEURS

WE INTERVIEWED 91 YOUNG CANADIAN ENTREPRENEURS, 43 FEMALE AND 48 MALE, ALL UNDER 30 YEARS OLD. THEIR AVERAGE AGE WAS 22.2 YEARS OF AGE.

Age and frequency of young Canadians interviewees



Mean = 22.2, Standard deviation (SD) = 2.0, Median = 22.0, Range = 18–28

Although the young Canadian entrepreneurs we interviewed are not all currently focused in the technology sector, the overwhelming majority of respondents saw it as important for their ventures, either as a focus or as a tool. As one told us: “The opportunities available are endless. The tech industry is such a massive part of the world economy that it would be foolish not to be integrated into it.”

A. WHY ENTREPRENEURSHIP?

As a first step, it is important to understand what drives these young Canadians to launch their own ventures. What appeals to them most about being entrepreneurs?

TOP 5 ENTREPRENEURIAL DRIVERS

1. Autonomy
2. Innovation
3. Freedom and flexibility
4. Social impact
5. Passion

"I LOVE THAT I CAN GET MY HANDS ON EVERYTHING AND I CAN CHANGE EVERYTHING."

Autonomy is the number one driver for these young Canadian entrepreneurs. "I like to be my own boss," they said. They enjoy customizing their own work environments, choosing their own partners, investors, and staff, making their own decisions, and setting their own goals.

Innovation is a key driver for these young Canadians. They enjoy taking creative risks and watching their ideas come to life. Freedom and flexibility are two other strong motivators. Despite the intense hours of the entrepreneurial life, the respondents reported liking the feeling that they have escaped the constraints of set office hours and an assigned cubicle.

Social impact is particularly important to young entrepreneurs. As one told us, entrepreneurship offers "the opportunity to spend time on things that impact the quality of peoples' lives in a very tangible, observable way." These young entrepreneurs are looking for concrete ways to improve the lives of those who are struggling.

Ultimately, many said, it is personal passion that fuels their willingness to take on the risks and rigours of startup life: passion for certain ideas, technologies, and outcomes. One young Canadian entrepreneur talked about the appeal in "being the leader for something that you are so passionate about."

The young Canadian respondents mentioned a range of other factors that fuel their interest in entrepreneurship, including working in teams with like-minded people, ownership, earning and growth potential, grappling with challenging problems, having technological impact, and shaping the business to fit their own ethics and values.

B. ENTREPRENEURIAL CONCERNS

What are the greatest concerns for young Canadians who are considering or already deep into their own entrepreneurial ventures?

TOP 5 ENTREPRENEURIAL CONCERNS

1. Losing a great deal of money
2. Personal failure
3. Insufficient cash flow to maintain the business
4. Day-to-day financial instability
5. Wasted time

"IT'S VERY RISKY. YOU CAN END UP INVESTING A LOT INTO SOMETHING THAT DOESN'T TAKE OFF."

The most pressing concern for venture-oriented young Canadians is losing a great deal of money. There is the serious risk of investing a lot of one's own money and the money of others and ending up with nothing to show for it. This overlaps clearly with the second most commonly cited concern: personal failure. "It's my name, my reputation, and my money at stake," said one. "Everyone wants to be an entrepreneur and become the next Steve Jobs," said another, "but there's only a small percentage who come out above or even on their investment. The idea that someone can spend years of their youth and taking on debt to grow a company, but in the end fail, is one part of entrepreneurship that concerns me."

Having insufficient cash flow to maintain the business is a related concern. Will there be enough cash to grow and sustain the business? The under-30 respondents worry about financial instability in their day-to-day lives. Will they have enough money to subsist as they work to build and grow their businesses? And what if it's all a waste of

time? Knowing how many ventures fail, these young Canadian entrepreneurs wonder if they will regret forgoing traditional careers and devoting all this time to startups that might fail.

Other commonly cited entrepreneurial concerns were emotional and physical stress, poor life-work balance, competition, the skepticism of others, responsibility for business achievements and employees, and being unable to find sufficient customers.

C. OPPORTUNITIES

We asked young Canadians to tell us about the aspects of their current lives that help or will help them as entrepreneurs.

TOP 5 ENTREPRENEURIAL BOOSTS

1. Personal qualities
2. Network
3. Working experience
4. Education
5. Family background

"I FIND THAT I AM SOMEONE WHO HAS DIFFICULTY GIVING UP. THROUGH THESE PROCESSES OF TRIAL AND ERROR, I HAVE FAITH THAT I WILL BE ABLE TO PICK MYSELF UP, RECHARGE, AND PLAN TO SUCCEED."

Certain personal qualities, these under-30 respondents say, are particularly important to entrepreneurial success: drive, adaptability, creativity, sociability, and self-discipline. "I am fully comfortable and thrive being a Jill of all trades," said one. "I love meeting people and function best in 'building mode'."

Respondents noted that having a network of supportive peers, friends, and business connections enhances the likelihood of entrepreneurial success. They see their specific working experiences—in past ventures, in working with other founders, in leading and working in school and on sports teams—as helping them build valuable entrepreneurial skills. They also note that post-secondary classes—both in business and beyond—have helped them develop specific skills and a broader perspective.

Some note that support from their families has given them the financial cushion to pursue startups that may or may not succeed. Others have benefited from the expertise of family members who have started their own businesses. “Every single thing in my life allowed me to be an entrepreneur. My parents working incredibly hard to give me opportunities and encouraging me to try anything.”

Other commonly noted entrepreneurial spurs are communication skills, current mentors, a passion for technology, and current home city.

D. OBSTACLES

On the flip side, we asked the young Canadian respondents to tell us about barriers or obstacles that make their entrepreneurial journeys more difficult.

TOP 5 ENTREPRENEURIAL BARRIERS

1. Lack of money
2. Lack of experience
3. Hiring the right people
4. Finding early believers
5. Lack of time

“IT IS VERY DIFFICULT TO FIND SUPPORT FOR GROWING SEED VENTURES, PARTICULARLY FOR STUDENTS WHO HAVE JUST COME OUT OF UNIVERSITY. PROGRAMS EXIST, BUT MANY OF THEM COST QUITE AN INVESTMENT JUST TO ENROL AND ACTUALLY CREATE VERY LITTLE VALUE. ADDITIONALLY, THE RESISTANCE FROM INVESTORS, PORTFOLIO MANAGERS, VCS, AND EVEN PUBLIC ENTITIES CAUSES A HUGE BARRIER TO INTRODUCING NEW, INNOVATIVE HARDWARE, SOFTWARE, OR SERVICES TO AN OTHERWISE STALE MARKET.”

The number one cited barrier, by a long shot, is money. The biggest obstacle for these young Canadian entrepreneurs is finding enough cash to start, sustain, and grow their ventures. For some, these financial concerns are strong enough to turn them away from their entrepreneurial dreams: “Familial commitments and financial realities. As much as I would love to pursue the Silicon Valley dream or chase my own ventures, I am a

first-generation Canadian and highly value the security of my parents' well-being and would like to put them in a position to enjoy their later years." For others, a "lack of connection with investors" is stalling the growth of their businesses.

Lack of specific business and technological experience was another commonly cited barrier to entrepreneurial success. It is in the areas of finance, legal issues, and marketing that these respondents expressed experiencing the most struggle.

Hiring is another key concern for young entrepreneurs. How to find dedicated team-workers who possess the needed intellectual skills and who can execute? The difficulty in finding early believers makes it tough to attract financing, employees, and customers. As one young Canadian entrepreneur said: "It tends to be the big players in the industry that have the ability to invest in big ideas or products at the entry level."

Many young Canadian entrepreneurs feel that they are up against time. With limited hands on deck and competing commitments—such as steady jobs to support the "side-hustle"—it is hard to find enough hours in the day to properly nurture the business.

Other barriers noted by the under-30 Canadian respondents were struggling with risk and stress tolerance, self-doubt, market competition, finding enough time to sleep and see loved ones, and burnout.

E. MENTOR NEEDS

Successful entrepreneurs often talk about the important role that seasoned business mentors have played in helping them launch and grow their businesses. For these relationships to succeed, there needs to be a good match between the goals, personality style, and skills of the mentor and the goals, personality style, and learning needs of the mentee.

As we analyzed the first half of the interview responses, we realized that it would be interesting to learn more about the type of mentors that these young Canadian entrepreneurs are seeking. We asked the remaining half of the young Canadian respondents what type of mentors are or would be most helpful to them as entrepreneurs.

TOP 5 ENTREPRENEURIAL CONCERNS

1. Is experienced in my particular field
2. Has had entrepreneurial success
3. Is encouraging and supportive of me
4. Is direct and honest
5. Can link me to relevant connections
6. Shares my demographics (gender, age range)
7. Is willing to commit time to mentoring me
8. Coaches me to discover answers on my own
9. Has scaled businesses
10. Has weathered serious entrepreneurial difficulties

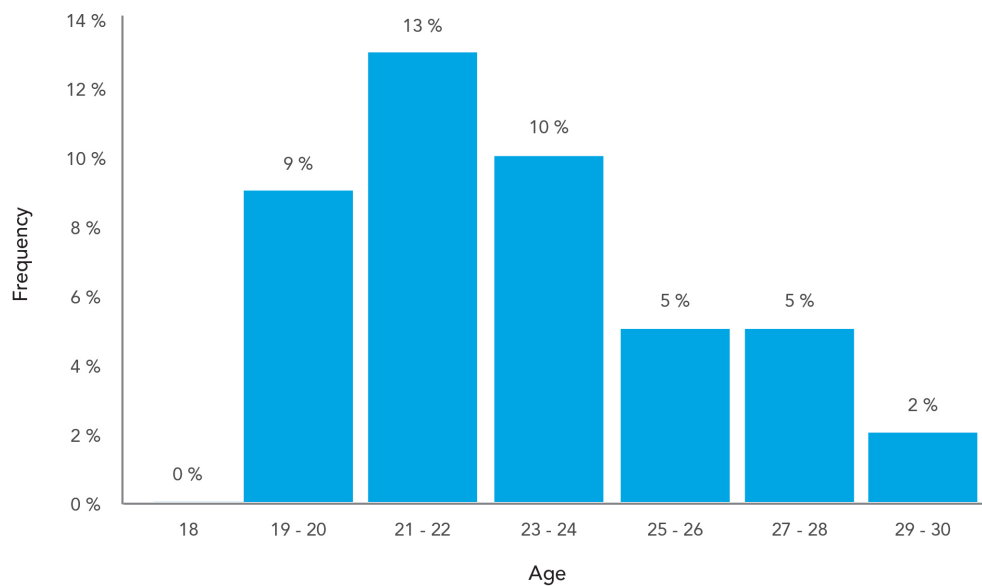
"A MENTOR WHO HAS STARTED A BUSINESS THAT IS SIMILAR TO WHAT I DO AND HAS PROVEN THEMSELVES SUCCESSFUL WHEN IT COMES TO OVERCOMING MANY OF THE OBSTACLES THAT I AM TRYING TO OVERCOME."

SECTION 2

YOUNG APEC ENTREPRENEURS

WE INTERVIEWED 44 YOUNG ENTREPRENEURS, 30 YEARS OLD AND UNDER, FROM INDONESIA, PERU, THE PHILIPPINES, AND VIETNAM, 28 MALE AND 16 FEMALE. THEIR AVERAGE AGE WAS 23.1 YEARS OF AGE.

Age and frequency of young APEC interviewees



Mean = 23.1, SD = 2.9, Median = 22.5, Range = 19-29

Although the young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam were not all currently focused in the tech sector, the overwhelming majority, similar to the Canadian respondents, see it as important for their ventures, either as a focus or as a tool. As one of these young entrepreneurs told us: “Fin-tech. Large industry at intersection of commerce and technology with huge growth potential.”

As we analyzed the responses, we noticed a number of strong similarities between what the young entrepreneurs from these different countries were saying. We also noted the many

themes they share with young entrepreneurs from Canada. In future research, it would be interesting to increase the number of respondents from each of these four countries—Indonesia, Peru, the Philippines, and Vietnam—and break out their results separately. It would also be useful to try to even out the gender representation for the respondents from these countries.

A. WHY ENTREPRENEURSHIP?

What drives these young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam to launch their own ventures? What appeals to them most about being entrepreneurs?

TOP 5 ENTREPRENEURIAL DRIVERS

1. Earning and growth potential
2. Freedom and flexibility
3. Autonomy
4. Innovation
5. Social impact

“I WANT THE BUSINESS TO GROW AS QUICKLY AS POSSIBLE.”

For young entrepreneurs from these countries, the possibility of growing their business and earning more money was the number one reason for starting their own ventures. One of these entrepreneurs talked to us about “the possibility of making a lot of money, fast.” Also important is the freedom and flexibility they see as coming with the entrepreneurial lifestyle. These entrepreneurs talk about “living by my own schedule and having my own office” and “the freedom to do what I want, any time I want.”

On a related note, these entrepreneurship-focused respondents noted that they appreciate the autonomy a startup affords them: “I create and manage my own business leads, customers, clients, and resources.” “You can be the boss and do what you want to do.”

Like their Canadian counterparts, these respondents appreciate the opportunity to innovate. They enjoy starting something new, building a product from nothing. If, in so doing, they can also have a positive social impact, all the better. They mentioned that they are looking to “help many people” with their products and services.

Other commonly mentioned entrepreneurial drivers were learning new skills, working in teams with like-minded people, personal passion, and making loved ones proud.

B. ENTREPRENEURIAL CONCERNS

What are the greatest concerns for young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam?

TOP 5 ENTREPRENEURIAL CONCERNS

1. Insufficient cash flow to maintain the business
2. Losing a great deal of money
3. Insufficient and wasted time
4. Lack of knowledge
5. Stress

"IT'S HARD TO START A BUSINESS AND MAKE MONEY WITH NO MONEY TO START WITH."

The top two concerns for these individuals revolve around money. How do they find enough money to start, build, pay staff, and sustain themselves? There is danger in "entering the market with a good idea, but not enough resources to fully execute the plan." And investors, they say, can be quick to give up and walk away. All in all, these respondents expressed concern about taking on financial risk, sunk costs, and liability. They mention that they don't want to be a "burden" on the people they love.

Young entrepreneurs from these countries noted that it is it hard to find the time to devote to building their business, particularly if they are working other jobs or unable to hire sufficient staff. They also expressed worry about opportunity costs—taking time away from advancement in more traditional careers.

The respondents also expressed concern that they might not have sufficient, practical knowledge to grow their businesses and adapt new technologies. It's a lifestyle that can also be stressful, they say. "It's very tiring," one of these young entrepreneurs told us. Other commonly mentioned concerns were failure, finding new customers, work-life balance, hiring, and lack of stability.

C. OPPORTUNITIES

We asked young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam to tell us about the aspects of their current lives that help or will help them as entrepreneurs.

TOP 5 ENTREPRENEURIAL BOOSTS

1. Working experience
2. Education
3. Passion
4. Personal qualities
5. International network

"I HAVE CREATED BRANDS AND MARKETING PLANS IN THE PAST AND IT WILL HELP ME TAKE MY BUSINESS FROM IDEATION TO REALITY."

Respondents from these countries reported feeling bolstered by two key factors: their working experience and their education. They feel they have benefited from their past work in management, finance, marketing, and sales. They have also reaped entrepreneurial benefits from courses ranging from business to science and coding.

These individuals feel that building their businesses in areas of personal passion helps keep them focused and moving forward. They also benefit from personal qualities such as drive, curiosity, and a love of learning. One young entrepreneur mentioned "my passion to learn and discover new technologies."

For some, an international network—gleaned through local business initiatives, conferences, and travel—has been most helpful in meeting mentors, business partners, and growing their businesses.

Other spurs are family background, access to funds, government support, and being in a stage of their lives where they have more time to devote to work and tolerate an unpredictable lifestyle.

D. OBSTACLES

We asked young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam to tell us about barriers or obstacles that make their entrepreneurial journeys more difficult.

TOP 5 ENTREPRENEURIAL BARRIERS

1. Lack of money
2. Local regulations
3. Competition
4. Lack of time
5. Staffing

"IT'S HARD FOR ME TO FIND MONEY."

As with the young Canadian respondents, the number one barrier entrepreneurs from these countries reported was a lack of money, citing: "Cost for space, licences, and staff is high. It is very hard to get credit approval."

Local policies and regulations can also be a barrier. "It's very difficult to incorporate as a business," one of these young entrepreneurs mentioned. Another added: "It's very hard to get a legitimate business licence here. It takes a very long time and lots of money." Some find that their young age can be a disadvantage when dealing with government officials.

Market competition can be stiff, individuals from these countries say. They noted that it is a "very competitive market in Asia." Some mentioned that they are up against "people who are willing to sacrifice profits," and that "other businesses and companies who do not have licences make it very difficult to compete against price."

Finding enough time to work and grow the business can be challenging, particularly for those who are holding down traditional jobs. Staffing can also be a barrier, especially finding people with the needed technological skills or those who are willing to work long hours, take risks, and earn less than half than what they would make in a bigger firm.

We had already concluded this phase of our research with young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam before deciding to add specific questions about the types of mentors they are seeking. This would be an interesting question for future research.

SECTION 3

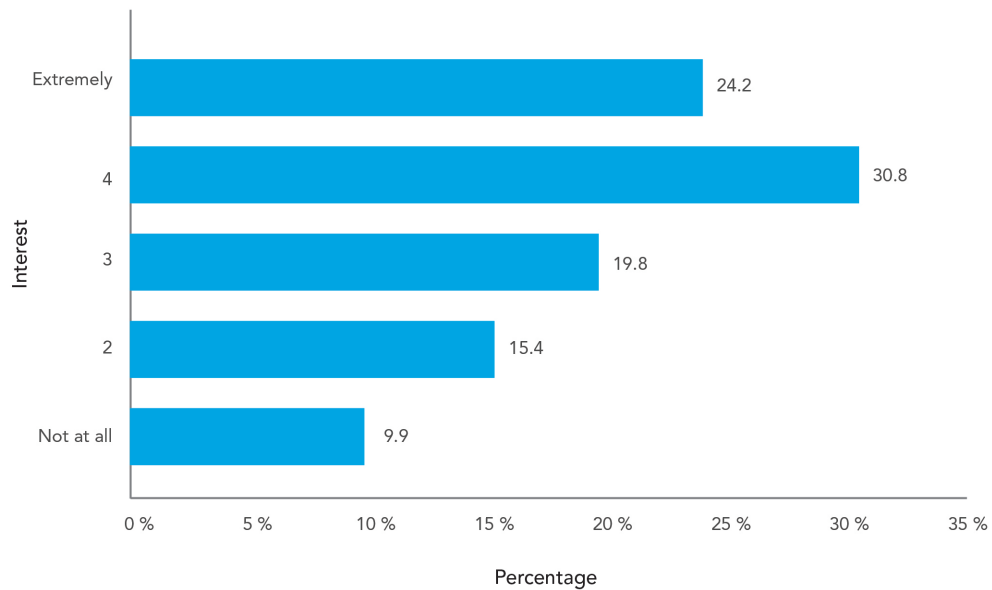
BUILDING UNDER-30 ASIA PACIFIC ENTREPRENEUR PARTNERSHIPS

A1. INTEREST IN PARTNERING—CANADIAN ENTREPRENEURS

We asked young Canadian entrepreneurs how interested—on a five-point scale from Not At All Interested to Extremely Interested—they would be in partnering with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam.

The respondents expressed interest, with an average response of 3.4 on the five-point scale.

Canadian entrepreneurs' interest in partnering



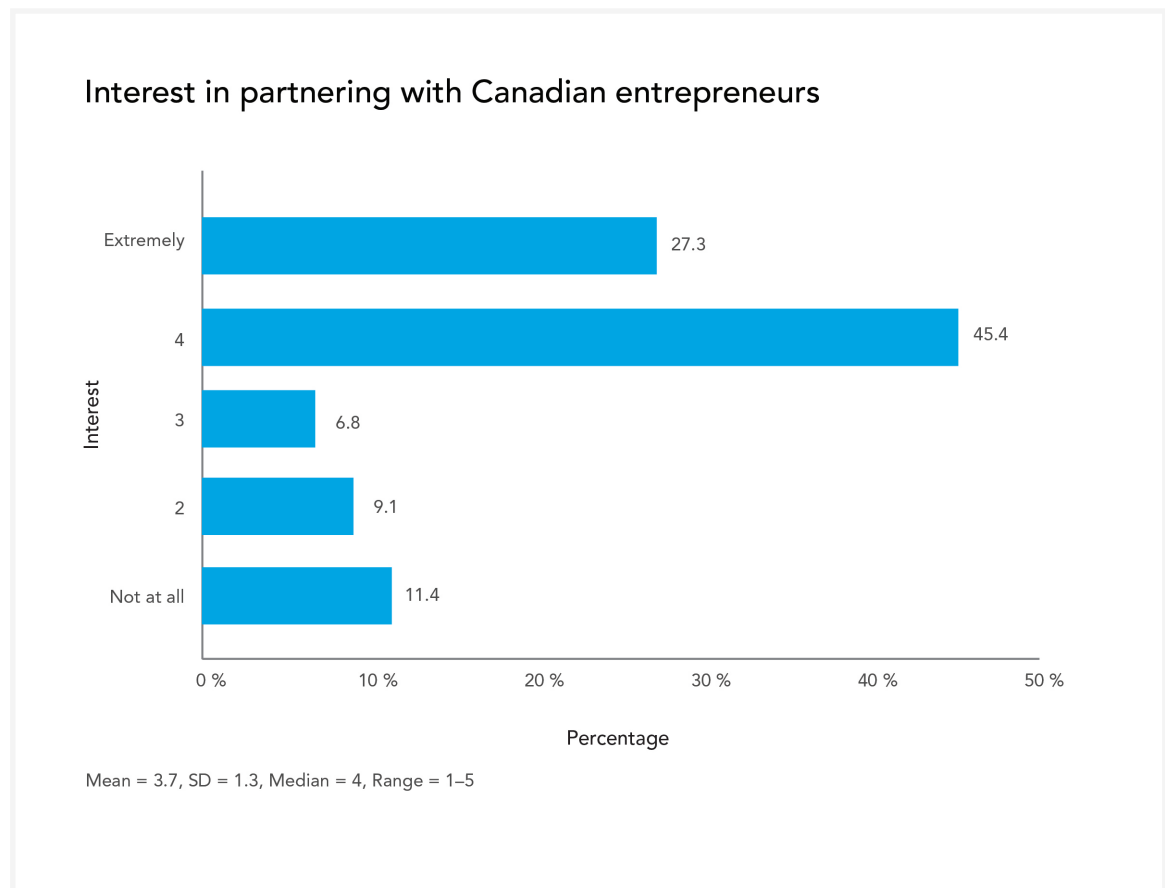
As one respondent said: “From what I’ve observed, many entrepreneurs in emerging economies do an exceptional job of serving the local market incredibly well. That creates focused, impactful products that customers are advocates for, and that’s exactly the type of product I want to expand to other places.”

When we asked them if they would be more excited about partnering with an entrepreneur from one of these countries—either Indonesia, Peru, the Philippines, or Vietnam—65 percent said they have no preference. Many noted that they would have to learn more about the countries before they could know whether they would favour partnerships with one over the other.

The remaining 35 percent of respondents spread their inclinations almost evenly over the four countries. Many expressed hesitancy in highlighting one country (“maybe,” “slight preference”) and based their preference on family background, travel, and work experiences.

A2. INTEREST IN PARTNERING—ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, AND VIETNAM

We similarly asked young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam how interested they would be in partnering with an entrepreneur from Canada. They are even more strongly interested, with an average response of 3.7 on the five-point scale.



“Canada is very open to new innovation grants,” said one. Added another: “Canada is a big country with many possibilities and very advanced technology. As the biggest trade partner of the US, there are a lot of ways Canada is leading in entrepreneurship and new business types.”

Why do some respondents come back as neutral to not at all interested in partnering with fellow entrepreneurs in Canada? We will see some of their concerns below as they discuss partnership challenges such as language barriers, increased business costs, differing country laws, shipping logistics, and the difficulty in working together as a virtual team over a great geographical distance.

B1. PARTNERSHIP OPPORTUNITIES—CANADIAN ENTREPRENEURS

We asked young Canadian entrepreneurs what specific opportunities they could foresee in partnering with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam.

TOP 5 PARTNERSHIP OPPORTUNITIES

1. New perspectives and market insight
2. Broader market
3. International experience
4. Blended knowledge
5. Talent pool

“THE OPPORTUNITY I APPRECIATE THE MOST OF WORKING WITH AN ENTREPRENEUR FROM ANY OF THOSE COUNTRIES WOULD BE THE KNOWLEDGE THEY’D HAVE AROUND A COMPLETELY DIFFERENT REALITY THAN THE ONE I AM MOST FAMILIAR WITH. IT’S NOT JUST ABOUT DESIGNING A SOLUTION. THE HARDEST PART IN ENTREPRENEURSHIP IS FINDING A WORTHY PROBLEM, AND AS A CANADIAN I CAN’T EVEN BEGIN TO HYPOTHESIZE ABOUT WHAT THE MOST PRESSING CHALLENGES THE PEOPLE IN THOSE COUNTRIES FACE ON A DAILY BASIS.”

The Canadian respondents were particularly excited about the new market perspectives they could gain in partnering with an entrepreneur from one of these countries. They feel they could benefit from “a deeper understanding of market opportunities in those countries” and “access to fresh ideas and opinions.”

When it comes time to launch, Canadian entrepreneurs are also intrigued by the broader market that comes in partnering with entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam. As two of these respondents told us: “I would foresee the ability to tap into new markets in Asia as well as the customers living in Canada who are from those countries. The ability to target the North American and Asian markets is very enticing.” “International markets offer very different business models and landscapes for companies, particularly in the tech industry. Spending habits are very different, costs are very different, and a concept that could fail miserably in Canada might prove to be highly successful in one of these countries given their demographic is quite different.”

Canadian entrepreneurs feel that they could benefit from these APEC entrepreneurs who might be used to working more seamlessly across international boundaries. They also see the power that comes from blending their own knowledge with that of an Asia Pacific business partner. As one of these young entrepreneurs told us, it’s an “opportunity to blend cultural knowledge.”

With these partnerships, young Canadians say, there could also be an opportunity to access talented staff with new skills and at lower labour costs.

Other commonly mentioned opportunities in these partnerships were new product niches, a more tech-savvy and hungry Asian market, local liaisons, and a good fit for current lines of business.

B2. PARTNERSHIP OPPORTUNITIES—ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, AND VIETNAM

We similarly asked the respondents from Indonesia, Peru, the Philippines, and Vietnam what specific opportunities they could foresee in partnering with an entrepreneur from Canada.

TOP 5 PARTNERSHIP OPPORTUNITIES

1. North American market
2. Learning about Canadian and US business culture
3. Talent pool
4. Business support and expertise
5. Networking

“THERE ARE MANY POTENTIAL PARTNERS AND B2B OPPORTUNITIES IN CANADA WITH CUSTOMERS AND SELLERS.”

Access to the North American market is the number one opportunity entrepreneurs from these countries see in partnering with their Canadian counterparts. Canada is seen as both appealing in itself and as a gateway to Silicon Valley and the US market. Such partnerships also offer an opportunity to learn more about business culture and processes in Canada and the United States. As one respondent noted, this is a chance to “see development of technology and meet different cultures.”

These young entrepreneurs also see Canadian partners as affording access to a new pool of talent, particularly high-level technology skills. They would also appreciate the increased access they might get to Canadian experts in marketing, technology infrastructure, HR, and expansion.

These respondents would look forward to expanding their business network with Canadian partners. “It’s hard to talk to Canadian business people now,” one of these young entrepreneurs explained.

Other commonly mentioned opportunities were easier import/export with North America, access to new investors, access to government grants, and greater ease in starting new businesses.

C. PARTNERSHIP CHALLENGES—CANADIAN ENTREPRENEURS

We asked young Canadian entrepreneurs to tell us about what problems they see in partnering with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam.

TOP 5 PARTNERSHIP CHALLENGES

1. Language barriers
2. Cultural barriers
3. Different business practices
4. Virtual team challenges
5. Time zone differences

“THERE MAY BE LANGUAGE BARRIERS IF THEY DON’T SPEAK ENGLISH.”

Canadian entrepreneurs see potential miscommunication problems in working with business partners or staff who do not speak English. They also anticipate challenges in working across cultures. As two respondents explained: “Cultural differences, while amazing, could also have the potential for us to hold each other back.” Differences in cultural norms and perceptions could lead to friction, they say.

These respondents also see potential challenges in clashing business practices across the entrepreneurial life cycle, from goals, values, and vision to leadership style, working hours, and salaries. “Our execution methods might be vastly different,” one of these young entrepreneurs noted.

If this partnership means each person working in their country of residence, the Canadian group anticipates that there could be problems in working across time zones and trying to connect as a team over the Internet. “A relationship with an entrepreneur in areas that require more considerable lengths of travel (in addition to cost) would demand high levels of trust that may not exist initially. It would take someone that I clearly see as someone I want to work with from day one to ease my worries.”

Other commonly mentioned potential problems were travel and communication expenses, political issues in their countries, different government policies, cross-border difficulties, differing laws, unclear accountabilities, and lack of deep understanding of each other’s markets.

C2. PARTNERSHIP CHALLENGES—ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, AND VIETNAM

We similarly asked young entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam what problems they see in partnering with an entrepreneur from Canada.

TOP 5 PARTNERSHIP CHALLENGES

1. Language barriers
2. Business costs
3. Differing laws
4. Virtual team challenges
5. Shipping logistics

“HARD TO TALK TO SOMEONE FROM CANADA UNLESS THEY WERE VERY FAMILIAR WITH MY COUNTRY.”

Entrepreneurs from these countries also worry about the challenges that might come in speaking different home languages. It might be “hard to speak with them,” one respondent said. They are particularly worried about the high costs of doing business across borders: “Transactions through bank currency exchange and trading goods is very difficult with high tariffs.” “There is very high income and corporate tax in both countries. It can be a bad way to move money around due to losses during transfers and taxable incomes.”

These young entrepreneurs have concerns around differing laws between Canada and their own countries. As two explained: “They may not understand the guidelines of working in my country, and I am not familiar with Canadian law.” “There are many issues that can arise from dealing with partners overseas, such as legal discrepancies, infringements, or even loss of proprietary information.”

Respondents also have concerns about working at a distance: “It’s not ideal to negotiate or discuss plans over the phone and expensive to travel in person.” “They may not be able to help directly in the operations of the business if they are not here, and it’s hard to talk with them.”

These entrepreneurs have some concerns around shipping and receiving logistics. As one told us: “Inbound receiving and shipping for any goods is a long and arduous process and requires strict packaging and approval processes for any physical goods.”

Other potential problems they noted were different business practices, issues of trust, and finding Canadian partners in the first place.

D. ENTREPRENEURSHIP RESOURCES—CANADIAN ENTREPRENEURS

We asked Canadian entrepreneurs what specific types of resources would make them more likely to partner with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam.

TOP 5 PARTNERSHIP ENHANCERS

1. Partnership funding
2. A rich web resource
3. Entrepreneur community initiatives
4. Market education
5. Supportive government policies

“GRANTS THAT WOULD ALLOW FOR TRAVEL, TRANSLATORS, AND CULTURAL LIAISONS.”

For the young Canadian entrepreneur, the number one idea for increasing entrepreneur bonds across the Pacific is dedicated funding. As one respondent offered: “Maybe overseas sponsorships to meet with more international business partners or skilled workers, particularly developers or designers.” There could be funds dedicated to riskier initiatives, they suggest, or focused on practical costs, such as zoning permits.

Many are excited about a rich, Asia Pacific web resource that offers economic and market information, a database of potential opportunities, certification/validation processes to ensure that offerings are legitimate, partner matching services, networking events, investment opportunities, skilled workers, links to specialized mentors, legal and technical advice, and relevant webinars.

Canadian entrepreneurs also look to the global entrepreneurial community to create stronger bonds across Asia Pacific countries. This could be “easier entry through local accelerators,” and more links between cross-Pacific incubators, they say. They also note that they would enjoy “learning first-hand from entrepreneurs there what they’ve done, what they’re interested in, and what we can help with.”

The Canadian respondents said that they would feel more confident in cross-Asia Pacific partnerships if they had access to targeted education about local markets—cultural practices, business processes, startup logistics, and case studies. They would also like to see governments of these countries working together to build policies and logistics that support cross-country collaborations.

Other ideas Canadian entrepreneurs mentioned were dedicated mentors, student exchanges and meet-ups, employee exchange programs, and easier cross-country access for investors.

D2. ENTREPRENEURSHIP RESOURCES—ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, AND VIETNAM

We similarly asked individuals from Indonesia, Peru, the Philippines, and Vietnam what specific types of resources they thought would make them more likely to partner with an entrepreneur from Canada.

TOP 5 PARTNERSHIP ENHANCERS

1. Partnership funding
2. Supportive government policies
3. Student exchanges
4. A rich web resource
5. Market education

“OFFER ENTREPRENEURS INCENTIVES TO MOVE OR PARTNER WITH INTERNATIONAL BUSINESSES AND NOT JUST DOMESTIC ONES. THIS STRENGTHENS INTERNATIONAL TIES AND SUPPORTS GOOD RELATIONSHIPS BETWEEN PARTIES. IT ALSO CREATES COMPLEMENTS IN SERVICES AND REDUCED DEAD-WEIGHT LOSS.”

Similar to their Canadian counterparts, entrepreneurs from these countries also see dedicated funding as key in facilitating partnerships between Canadian entrepreneurs and themselves. As one suggested: “Maybe some travel funds or grants that allow firms to visit and meet entrepreneurs and corporate clients in North America to establish the idea.”

They would like to see government policies that facilitate these partnerships across the Pacific. This could be easing the process of starting international businesses and obtaining visas, cross-border efficiencies, reduced taxes, reduced tariffs, easier cross-country travel for skilled workers, or travel expense support.

These entrepreneurs expressed enthusiasm about student and employee exchanges across the Pacific. Two of these respondents offered their ideas: “School-supported initiatives and government programs to bring students and upcoming entrepreneurs to other countries.” “International exchange programs for students focused on long-term business development and entrepreneurship. Perhaps set up in a way to network with high-profile individuals in North America and potential accelerator programs in Asia and APEC countries.”

Like their Canadian counterparts, they feel that a rich web resource could help build these partnerships. This group is particularly interested in online networking and entrepreneur matching and ID services. “Offering [an] accredited entrepreneurs and businesses list to business owners like me who are looking to expand to other countries.” They, too, are looking for cultural, business process, and entrepreneurial case studies on Canada and the United States. “Informative lectures or a software system that allows us to learn more about businesses in Canada and their services offered.”

Other resource ideas from this group were government brochures, improved shipping logistics, dedicated mentors, and client introductions.

INVESTORS

WE SPOKE TO 25 ACTIVE INVESTORS TO GET THEIR INPUT ON INVESTING IN YOUNG ENTREPRENEURS from Canada, Indonesia, Peru, the Philippines, and Vietnam. These investors include angels, venture capitalists (VCs), and institutional investors. Although many have Canadian roots, many work and invest internationally in the United States, Asia, Europe, Canada, and beyond.

Some are active and hands-on in the day-to-day operations of their investee's ventures, occasionally taking on C-suite roles such as CFO. Others sit on the board or serve in a more informal advisory capacity.

Their wide range of investments include seed funding and Series A, B, and C funding. These individuals invest across a broad range of fields including the tech sector. Some seek out certain types of offerings, such as "high-potential, under-resourced companies" or those with "franchising opportunities." These investors vary in their risk tolerance and their timelines, from quick exits to a more long-term approach.

With all of their differences, however, the investors we interviewed agreed on many of the qualities that define attractive versus unattractive deals.

A. WHY INVEST?

We asked investors why they invest in startups. As most respondents quickly noted, startups are not the safest place to park their funds. Yet the respondents expressed passion and commitment for what they do.

TOP 5 MOTIVATIONS FOR INVESTING IN STARTUPS

1. ROI (return on investment)
2. Helping a new generation of entrepreneurs
3. Spurring innovation and building new markets
4. Encouraging diversity, such as more women in tech
5. Helping the team build their business

“HELPING TRANSFORM COMPANIES, LED BY REVOLUTIONARY ENTREPRENEURS, TO BECOME MORE PROFESSIONAL ENTITIES.”

Investors talked about “the possibility of exponential returns” and “10X”—the opportunity to make 10 times the initial investment—as a strong motivator for betting on startups. One investor noted that investing in startups offers the “opportunity for a significantly higher return than alternative investments.” They also enjoy helping young entrepreneurs flourish. As one said: “These young people need an opportunity. Many don’t have money of their own.”

When they support new ventures, these investors can accelerate industry innovation and the spread of exciting new technologies. “I believe that startups are the major contributor to any economy,” said one. Another talked about the enjoyment in “capturing a segment of the market that is new, or developing a new take on mature markets.”

Respondents reported enjoying building more diversity into the entrepreneurial community by helping under-represented groups develop their businesses. For some, the investing relationship offers a unique opportunity to help young entrepreneurs streamline their businesses. As one investor said: “It’s fun being part of a team to help create, build, and grow a company for the benefit of all the stakeholders. Also creating jobs, tax revenues.”

B. INVESTMENT CONSIDERATIONS

We asked investors to outline the most important factors they consider in deciding whether or not to invest in a company.

TOP 5 INVESTMENT CONSIDERATIONS

1. The team
2. Scalability
3. The market
4. Financials
5. Investor fit

“THE TEAM MUST SHOW A CLEAR TECHNICAL BACKGROUND AS WELL AS AUTHENTICITY WITH THE PAIN POINTS THEY ARE ADDRESSING.”

The most oft-cited consideration to invest or not invest was the entrepreneurial team behind the venture: their commitment, passion, potential, experience, and openness to advice. In the words of some of our investors: “How much of their own time and money have they invested?” Do they show “strong management: handle for the product or service, vision for the company, understanding of the market dynamics and key variables?” “What is their plan to grow the company?” “Most important is the CEO. Do they have the capacity not only to understand the problem, but to grow the business and pivot?”

These investors are also looking for ideas that solve real problems, make a difference to society, and that can scale. In considering growth, these investors look closely at the market. Does this venture have first mover advantage? What are the barriers to entry? Who are the competition? Is there good product-market fit? As one investor said: “New industries, or segments of existing markets that have strong growth prospects, tested by penetration of different demographic segments. Also, a product or service that revitalizes stale markets.”

The respondents said they want to see strong financials: “Are the financials based in reality? They all look like hockey sticks.” They are looking for solid revenue models, and “prefer recurring revenue.” They also want to assess whether or not the ventures they are considering are a good fit for their own skills and business networks.

C. RED FLAGS FOR INVESTORS

We asked investors to identify red flags that would turn them off investing in a particular company.

RED FLAGS FOR INVESTORS

1. Weak or conflict-ridden team
2. Iffy financials—unrealistic, inconsistent/declining revenue, or over-valuations
3. Inflated egos
4. Saturated, declining unreceptive market
5. Over-complicated deal structure
6. Poor ethics
7. Messy history / team turnover
8. Profligate spending

“ I HAVE SEEN GREAT IDEAS, BUT THE MOST IMPORTANT SEEMS TO BE THE PEOPLE. THEY ARE THE ONES THAT IMPLEMENT. HAVE THEY DONE THIS BEFORE? ARE THEY BRIGHT? DO THEY HAVE GRIT? BEING AN ENTREPRENEUR IS HARD AND LONELY. PEOPLE WILL TELL YOU IT’S IMPOSSIBLE. DO YOU HAVE WHAT IT TAKES TO PUSH THROUGH? THESE ARE SOME OF THE MANY QUESTIONS I POSE.”

“IS THIS AN A TEAM WITH AN A IDEA?”

D. INVESTING IN ENTREPRENEURS UNDER 30

We asked investors about their positive and negative thoughts about investing in entrepreneurs under the age of 30.

It’s important not to generalize, investors said, but there are some common themes they have seen in their experiences with raising funds for young entrepreneurs.

POSSIBLE POSITIVES FOR INVESTING IN YOUNG ENTREPRENEURS

1. Energy and stamina
2. Future orientation / adaptability
3. Ease with technology
4. Global perspective
5. Hungry; have to innovate
6. More flexible lifestyles
7. Can isolate generationally relevant pain points for business
8. Quick learning

"THESE YOUNG ENTREPRENEURS HAVE ENERGY. YOU NEED TO WORK WHEN EVERYONE ELSE IS SLEEPING, SO GRIT AND STAMINA ARE ESSENTIAL."

POSSIBLE NEGATIVES FOR INVESTING IN YOUNG ENTREPRENEURS

1. Lack of experience
2. Little track record of success
3. Stubbornness
4. Can be all talk
5. Harder to get others to invest

"SOMETIMES, THESE YOUNGER ENTREPRENEURS FACE A BLOCKADE WHEN APPROACHING FUNDING. EITHER DEBT OR EQUITY FINANCING—INVESTMENT STAKEHOLDERS HOLD LESS VALUE IN YOUNGER PROFESSIONALS WITH FEWER PROVEN EXPERIENCES AND SUCCESSES. GENERALLY, IT TAKES GREAT SUCCESS OR SIGNIFICANT UPSIDE WITHIN THE CURRENT VENTURE IN ORDER FOR INVESTMENT PROFESSIONALS TO TAKE EXTRAORDINARY RISK."

D. DISCOVERING NEW INVESTMENTS

How do the investors we interviewed generally find out about the companies in which they plan to invest?

TOP METHODS OF FINDING NEW INVESTEEES

1. Word of mouth
2. Special pitching and business plan events
3. Accelerators and incubators
4. Referrals
5. Entrepreneurs approach me directly
6. Own or industry research
7. University relationships
8. Media stories

"I GO TO 500 STARTUPS, TECTORIA. I GET INVITED BY DIFFERENT VCS TO PITCHES. Y COMBINATOR. PLACES WHERE ENTREPRENEURS GATHER TO PITCH THEIR IDEAS."

They have no difficulty in finding interested founders. As word about even some of the smaller angels gets out, entrepreneurs and their facilitators quickly find their way to these investors. "There's a lot of effort made into creating inbound interest."

E. INVESTING IN YOUNG CANADIAN TECH ENTREPRENEURS

What general opinions do investors have about investing in young tech entrepreneurs from Canada? What opportunities and obstacles do they see?

INVESTING IN YOUNG CANADIAN ENTREPRENEURS

1. Limited deals
2. An untapped market
3. Some are under-prepared
4. Innovative
5. Are they hungry and gritty enough?

“THERE IS CURRENTLY A STRONG GROUP OF YOUNG, DIVERSE ENTREPRENEURS THAT ARE FIGHTING FOR RESOURCES, CAPITAL FINANCING, AND PRESENCE IN THE MARKET.”

“You don’t see as many interesting deals in Canada,” investors say. “The numbers are small. All of Canada’s population fits into California, so the funnel is small.” There is more “small investment, more friends and family” in Canada. “Funding in the Canadian market for tech is significantly less than the US and other parts of the world.”

Some feel that Canadian investors are more risk-averse. As our respondents explained: “In general, the Canadian investment community has a lower risk tolerance to investing in startups and, as a result, capital flows to more mature industries.” “Many of the VC firms located in Canada do have roots based in the US, Asia, or Europe. As a result, many young Canadian entrepreneurs feel the need to move to those parts of the world to have a better chance at support, both with capital and operationally.”

There is much untapped entrepreneurial talent in Canada, some of the respondents said. As one explained: “I think there is great opportunity for Canada in clean tech, environmental tech, and AI.”

Though they caution one should not generalize, some of the investors feel that young Canadian entrepreneurs could be better prepared for early negotiations and the pitching process: “I have to spend more time educating here than I do in the Valley. In the Valley, they understand about an elevator pitch. They understand about leaving a good deck behind.”

Another respondent added: “While access to capital is commonly seen as the biggest barrier for Canadian founders, it is access to mentorship that is the problem. There are

lots of mentors who can't add any value; few that can actually educate them and 'clue them in.'"

Some of the investors are impressed by the level of innovation they see in young Canadian entrepreneurs: "I love Canadians!" "I think they have incredible ideas. Because there is not much money here, they don't just focus on Canada. They focus on the rest of North America."

Others wonder if young Canadian entrepreneurs are hungry enough to fight through in a competitive, global economy: "They are not as hungry as the entrepreneurs I see in the Valley. The competition in the Valley is fierce. It's contagious." "I have invested in a few good companies in Canada, but a large group of entrepreneurs I meet in Canada talk the talk but don't walk the walk. They lack the drive and the grit that it takes to succeed in a global economy. It's hard. Much harder than it used to be."

F. OPPORTUNITIES IN INVESTING IN YOUNG ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, OR VIETNAM

What opportunities do investors see in investing in entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam?

OPPORTUNITIES IN INVESTING IN YOUNG ASIA PACIFIC ENTREPRENEURS

1. Ambition and hard work
2. Innovation through cross-cultural collaboration
3. Emerging markets
4. Dollar goes further
5. Tech / mobile savvy

"THEY MIGHT HAVE NEW IDEAS FOR NORTH AMERICAN PRODUCTS, PARTICULARLY WHEN BLENDED WITH NORTH AMERICAN INPUT."

Many of the investors we interviewed have had good experiences in working with immigrants from developing economies. As they explained: "Our VC firm has developed a reputation for investing in immigrants. I'd personally favour immigrants as founders."

But they'd have to be educated about what it takes to start a company, and that's an education you don't find outside a very few places with the right support network." "I think they would have the hustle. They don't have the expectations of rich kids from North America."

Investors noted that when they bring their own cultural perspective together with these entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam, the result might be more innovative ideas: "They are living different lives. They can see things we can't see. They might be fixing a problem that exists here too."

Entrepreneurs from Indonesia, Peru, the Philippines, and Vietnam are coming from developing economies, investors noted. As one of our respondents said: "These are all emerging markets and offer new opportunities." Their investment dollars might go further in these countries as well. As one investor noted: "The amount of investment they would need is significantly less than they would need in North America. It's a currency benefit."

Some investors are also excited by the level of tech savvy and mobile use in some of these countries: "They may also have greater insight into how technology could improve lives in developing nations such as their own."

G. OBSTACLES IN INVESTING IN YOUNG ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, OR VIETNAM

What problems could investors see in investing in entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam?

CHALLENGES IN INVESTING IN YOUNG ASIA PACIFIC ENTREPRENEURS

1. Distance
2. Political issues
3. Different business processes
4. Unclear exit strategy
5. Relevant education

“ADDING GEOPOLITICAL, LEGAL, AND CULTURAL RISK TO AN ALREADY INHERENTLY RISKY INVESTMENT WOULD PLACE FOREIGN ENTREPRENEURS BEHIND DOMESTIC ONES.”

Some of the investors we interviewed are particularly concerned about being too geographically distant from potential Asia Pacific investees: “They are far geographically. I cannot have as much of an impact.” “I’m not close enough to have a feel for how things are going.” These investors also worry about political turmoil and instability in countries so different from their own.

Investors also noted that Asia Pacific entrepreneurs might be used to different business processes, regulations, and legalities: “How does their system work?” “They may have less of an understanding of the regulatory, legal, and cultural differences of doing business in Canada versus their home nation.”

“I’m not sure of the M&A landscape and opportunities to go public; thus, the exit side is unclear,” they noted. Some investors are also wondering if these APEC entrepreneurs will be educated in a similar way to the entrepreneurs with whom they usually work. As one of our respondents said, there are “inconsistent education platforms across Asian Pacific countries and, as a result, some entrepreneurs from these countries could require further education and support.”

H. INVESTING IN YOUNG ASIA PACIFIC ENTREPRENEUR TEAMS

Finally, we asked investors how they feel about investing in a young entrepreneur team with members both in Canada and in one or more of Indonesia, Peru, the Philippines, and Vietnam.

The majority of investors say they would find this interesting. There might still be culture clashes, power struggles, and virtual team challenges, they say, but the advantages could outweigh the pitfalls.

As one told us: “A diverse, cross-culture team with members in different countries provides a company with the optimal opportunity to bring a variety of opportunities to the table. Not only does having entrepreneurs with different opinions and ideas allow for more unique and developed products/services, having access points in multiple countries allows these teams to test these ideas across cultures.”

“JOINT VENTURES WITH CANADIAN AND FOREIGN ENTREPRENEURS COULD REDUCE THE PROBLEMS LISTED ABOVE, WHILE STILL TAKING ADVANTAGE OF THE OPPORTUNITIES.”

MENTORS

Finally, we spoke to 26 experienced Canadian business people who are either active in mentoring young entrepreneurs or well qualified to do so. The group included 14 female respondents and 12 male.

We sought out a diverse range of potential mentors and, as a first step, asked them what type of mentoring expertise they might offer entrepreneurs under 30.

"I HELP ENTREPRENEURS DEAL WITH THE UPS AND DOWNS OF STARTING A BUSINESS."

TOP AREAS OF MENTOR EXPERTISE

1. Launching a startup
2. Funding
3. Customer acquisition
4. Technology
5. Recruitment and hiring
6. Leadership development
7. Marketing and communications
8. Scaling and growth

Other areas in which these established business people feel they could offer young entrepreneurs guidance are strategic planning, general business management, product management, general human resources, international sales, import/export, corporate partnerships, personal development, sourcing, project management, manufacturing, negotiation, and presentations.

A. WHY MENTOR?

We asked business experts why they do or would mentor young entrepreneurs. As with the investors, we saw strong, common themes emerging in the mentors' answers. Their top five responses?

TOP 5 REASONS FOR MENTORING

1. Giving back
2. These young entrepreneurs are the future
3. My own learning
4. It's the right thing to do
5. Offer them industry insight

"I LIKE TO GIVE BACK ON EXPERIENCE THAT WAS ACQUIRED AFTER A LOT OF BLOOD, SWEAT, AND TEARS."

The number one reason these business experts give for mentoring young entrepreneurs is the opportunity to give back. As they explained to us: "Because I've been one and it's tough." "Because I had and continue to have good mentors throughout my careers."

These young people are the future, these experts say. We can "help grow talent," and "help the next generation succeed," they added. Startup guidance can also be lacking, they feel: "Government spends lots of time on MSMEs [micro, small and medium-sized enterprises]. They need to focus on startups too."

Many of these experienced business people appreciate how much they can learn in mentoring young entrepreneurs. It's an opportunity to look at problems in new ways and keep up with what is new in science, technology, and beyond. As one respondent said: "I know that I learn so much as well through the process of spending time helping young people just getting started."

Mentoring young startups is just the right thing to do, some say: "Everyone needs someone when they first get started." It's also an opportunity to pass on concrete insights into specific industries. As one mentor explained: "I believe that my years as a consultant to dozens of businesses provides me with a perspective that young entrepreneurs just don't have—yet."

Other reasons that these established business people mentor include encouraging diversity in business, personal enjoyment, opening up their networks, encouraging innovation, and increasing the number of entrepreneurs in the ecosystem.

B. MENTEE EXPECTATIONS

Mentoring entrepreneurs through the tumultuous world of a new startup can take a great deal of time and emotional investment. What do these experts expect in return from young entrepreneurs whom they have agreed to mentor?

WANTED: A MENTEE WHO...

1. Is strongly committed to their venture and the mentoring process
2. Shows up for meetings and calls on time
3. Is professional
4. Is open and receptive to advice
5. Has a strong business model
6. Follows through on their commitments
7. Has skin in the game / money in their own venture
8. Will pay it forward and pass on skills to the next generation
9. Will treat my connections well
10. Shows gratitude to those who help

"THEY NEED TO HAVE RESPECT FOR MY TIME AND THE TIME OF THE PEOPLE I PUT THEM IN TOUCH WITH."

C. MENTEE RED FLAGS

We asked business experts what red flags would turn them off mentoring a young entrepreneur or startup team.

There was strong agreement about the “not wanted” list.

TOP MENTEE RED FLAGS

1. Insufficiently committed to their venture and the mentoring process
2. Not showing up on time to meetings
3. Not open to feedback or advice
4. Don't follow through on their commitments
5. Ego—think they know it all

“IT'S A RED FLAG IF THEY ARE NOT THROWING THEMSELVES INTO THEIR WORK OR BUSINESS ASPIRATIONS.”

Mentors are quickly turned off by young entrepreneurs who are “uncommitted,” “doing too little,” seem “disinterested,” or show “a lack of personal accountability,” they explained. These experienced business people also have little patience for those who do not show up or are late for their calls.

Many of these experts see little use in spending their time on entrepreneurs who are inflexible and unwilling to learn. As one mentor explained: “Entrepreneurs who believe that their technical expertise and intelligence in one field equips them to make decisions about areas outside that scope.” They are also looking for mentees who do what they say they were going to do. A consistent inability to meet milestones is a warning sign.

Also unappealing are those young entrepreneurs who are driven first and foremost by their own egos, or those who are too pushy or entitled. Other red flags are mentees who have poor ethics, can't get along with their team members, are non-strategic, are spending too much money, treat the mentor's contacts with disrespect, or seem like a poor fit for the mentor's skills or personality.

D. OPPORTUNITIES IN MENTORING YOUNG ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, OR VIETNAM

We asked business experts what they might particularly enjoy about mentoring young entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam. Most have not done so, but could see some clear reasons why they might enjoy it.

TOP 5 APPEALS IN MENTORING YOUNG ENTREPRENEURS FROM THESE ECONOMIES

1. Learning about their culture and market
2. The international focus
3. Innovative, new ways of thinking
4. Discovering new business opportunities
5. Social impact

“UNDOUBTEDLY, I WILL BE LEARNING FROM THEM AND THEIR CULTURES AS WELL.”

These business experts feel that while passing on their experience and knowledge, they would also be learning from mentees in these countries. As one explained: “We would learn from each other and create great possibilities for collaboration and connection of two different cultures.” They would also enjoy the international focus of this mentoring work: “I am personally very interested in different cultures and countries outside of North America.” “It would be exciting to connect and coach high-potential entrepreneurs from another part of the globe.”

As mentor and mentee bring their different cultural perspectives to brainstorming, the result could be an enhanced level of innovation, our business experts say. Existing products from Asia could be modified for the North American market. And, as one of our mentors added, “there may be many new business opportunities within their country that have already been developed in North America. It would be very interesting and exciting to discover these together.”

Mentors would also enjoy participating in ventures that might have a positive social impact back in the region. As one noted: “They might have an opportunity to make a big difference in theirs and their family’s life by starting a business.”

E. OBSTACLES IN MENTORING YOUNG ENTREPRENEURS FROM INDONESIA, PERU, THE PHILIPPINES, OR VIETNAM

On the flip side, we asked business experts what concerns they might have about mentoring young entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam.

TOP 5 CONCERNS IN MENTORING YOUNG ENTREPRENEURS FROM THESE ECONOMIES

1. Language barriers
2. Different time zones
3. Cross-cultural differences
4. Political issues
5. Vetting their ventures

“DIFFERENT CULTURAL CUSTOMS. WHAT MAY BE GREAT ADVICE FOR A COMPANY IN NORTH AMERICA MAY BE COMPLETELY UNACCEPTABLE IN THEIR COUNTRY.”

The business experts’ primary concerns are practical. If mentor and mentee are not fluent in the same language, misunderstandings and inefficiencies are more likely. Working across vastly different time zones could make it difficult to find enough opportunities to chat.

And in working across cultures, some mentors were concerned about misassumptions and different business practices: “I need some training and education on cultural uniqueness so that I can be respectful and honour their culture.” “Perhaps the different standards and customs in business. Their laws and regulations are quite different, so I can imagine there could be some confusion over that.”

Some of the potential mentors are concerned about political issues in these different countries and how they might impact the applicability of their advice and their mentees’ ventures. Others are worried that they will not be able to sufficiently assess the viability of their mentees’ ventures. As one said: “I’d want to make sure they were vetted and developing high-potential solutions.”

F. MENTORING CANADA–ASIA PACIFIC ENTREPRENEUR TEAMS

As a final question, we asked these Canadian business experts how they would feel about mentoring teams with both young entrepreneurs from Canada and one or more entrepreneurs from Indonesia, Peru, the Philippines, and/or Vietnam. All in all, they saw this as a powerful possibility, with a few familiar concerns.

TOP 5 REACTIONS TO MENTORING CANADA-ASIA PACIFIC ENTREPRENEUR TEAMS

1. Why not?! That might be ideal.
2. There can be power in bringing together different cultural perspectives.
3. It's easier with today's technology.
4. Time zones, language, and virtual team-building might be an issue.
5. When do I get started?

"I THINK THAT THERE WOULD BE GREAT BENEFIT TO HAVE A TEAM FROM CANADA AND A DIFFERENT COUNTRY WORK TOGETHER SO THAT DIFFERENT IDEAS, VALUES, AND BACKGROUNDS ARE BROUGHT TO THE TABLE."

FUELLING HIGH-TECH STARTUPS BEST PRACTICE ACTION STEPS

I. YOUNG ENTREPRENEURS—ACTION STEPS

We distilled the findings from this report into five key action steps that young entrepreneurs from all five countries—Canada, Indonesia, Peru, the Philippines, and Vietnam—can take to pave the way for their tech startup success.

5 KEY ACTION STEPS FOR UNDER-30 ENTREPRENEURS

1. Entrepreneurially focused, post-secondary students can seek out online, cross-Pacific project work for startups to test working style fit, enhance cultural understanding, and start building connections.
2. Design ventures that not only meet market needs, but that play into strengths that investors and mentors are likely to see in you, such as specific technological expertise, or generational or country/market knowledge.

3. Be cautious and deliberate in building your startup team. Are roles clear and partnership agreements in place? Do you have a conflict management strategy? Can you strengthen the scalability and innovation of your idea by bringing in a partner from another country? Spend extra time setting expectations and building communications strategies for virtual teams. Consider bringing in more experienced members as advisors or to balance out the team.
4. Seek out and be open to all the advice you need to be Valley-ready before pitching to investors. Is your revenue model sound? Are your financials realistic? Are you truly receptive to investor advice?
5. Be ultra-professional with mentors and tap into their interests to learn about your industry or country.

II. CANADIAN BUSINESS COMMUNITY—ACTION STEPS

The following are five key action steps that the Canadian business community can take to help young entrepreneurs from all five countries—Canada, Indonesia, Peru, the Philippines, and Vietnam—toward tech startup success based on our research and interviews

5 KEY ACTION STEPS FOR THE CANADIAN BUSINESS COMMUNITY

1. Build more active ties between accelerators and incubators in Canada and in other Asia Pacific countries, such as Indonesia, Peru, the Philippines, and Vietnam. Look for opportunities to partner similar ideas, share resources, and test foreign markets.

2. Look for sister startups across the Pacific and design ongoing, mutually beneficial arrangements to share resources, local market intelligence, training, and senior leadership strategy sessions.
3. Big business can sponsor content area experts—in finance, hiring, sales, manufacturing, IP, and so on—to serve as limited-time mentors to startups across these countries. It's an opportunity for social impact and industry learning. These mentors should be placed with countries and businesses that fulfil their own learning interests.
4. Big business can also facilitate more cross-Pacific employee and working-team exchanges to enhance institutional and cross-cultural knowledge.
5. Strengthen cross-Pacific bonds between action groups focused on a targeted subset of entrepreneurs, such as women or youth.

III. UNIVERSITY AND COLLEGE—ACTION STEPS

Based on our findings, the following are five key action steps that universities and colleges can take to help young entrepreneurs from all five countries—Canada, Indonesia, Peru, the Philippines, and Vietnam—toward tech startup success.

5 KEY ACTION STEPS FOR POST-SECONDARY INSTITUTIONS

1. Build more active ties and exchanges between university entrepreneurship programs in Canada and other Asia Pacific countries, such as Indonesia, Peru, the Philippines, and Vietnam.

2. Offer entrepreneurship students in-depth, practical, current opportunities to study—as a sub-option even—startup and more general business practices in certain Asia Pacific countries.
3. Expose students to more real-time, Asia Pacific venture case studies—and case competitions—that have been vetted by the relevant business communities. Have students work in cross-country teams.
4. Sponsor more carefully vetted entrepreneur student internships and exchanges between Canada and other countries, such as Indonesia, Peru, the Philippines, and Vietnam.
5. Work with the local and Asia Pacific startup communities to offer hands-on learning experiences that teach students what it really takes to be Valley-ready with their pitches. Also offer students practical skills across the entrepreneurial life cycle, from ideation to execution, growth, and exit.

IV. GOVERNMENT—NEXT STEPS

All of our respondents—the young entrepreneurs from Canada, Indonesia, Peru, the Philippines, and Vietnam, the mentors, and the investors—have offered up a number of ideas, concerns, and potential opportunities that might be directly or indirectly addressed by governments in Canada and across Asia.

The following are five key suggestions that came out of the input we have heard.

5 KEY ACTION STEPS FOR THE CANADIAN BUSINESS COMMUNITY

- 1.** Create a rich, industry-driven, current web resource—as detailed earlier—that exports Canadian know-how about entrepreneurship and innovation and that links entrepreneurs across Asia Pacific countries with opportunities for entrepreneur matching, business vetting, country education, and short-term project opportunities.
- 2.** Consider policies and regulations that might ease startup team building and expansion across Asia Pacific countries.
- 3.** Enhance global internships/exchanges for entrepreneurially focused youth. Be sure to include those young people outside of traditional colleges and universities. Co-ordinate with other ecosystem players, such as university entrepreneurship programs and accelerators/incubators. Highlight and build on existing exchange programs, such as Canada Accelerator and Incubator Program (CAIP), Mitacs, Start-up Visa, Going Global Innovation (GGI), and Canadian International Innovation Program (CIIP).
- 4.** Offer more funding for carefully vetted, pre-seed stage young entrepreneurs from ASEAN countries to experience the hands-on rigours of Silicon Valley, then return home to a systematic program to help them get ready for their Asia Pacific pitches.
- 5.** Develop an online founding team toolkit specifically devoted to partnership selection, agreements, hiring, and building the health and stability of the startup team.

APPENDIX: INTERVIEW QUESTIONNAIRES

UNDER 30 CANADA

Where you live:

Your gender:

Your age:

What you do:
(e.g., X type of work; X type of student)

1. What appeals most to you about being an entrepreneur?
2. What concerns you most about being an entrepreneur?
3. What aspects of your life help or will help you as an entrepreneur?
4. What barriers or obstacles stand in your way as an entrepreneur?
5. What type of mentor is or would be most helpful to you as an entrepreneur?
6. How interested would you be in partnering with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam?

- 1 - Not at all interested
- 2
- 3 - Neutral
- 4
- 5 - Extremely interested

7. Would you be more excited about partnering with an entrepreneur from one of these countries?

- Indonesia
- Peru
- The Philippines
- Vietnam
- No Preference

Why?

8. What opportunities could you foresee in partnering with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam?

9. What problems could you foresee in partnering with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam?

10. What specific types of resources—from government, entrepreneur support organizations, online information sources...—would make you more likely to partner with an entrepreneur from Indonesia, Peru, the Philippines, or Vietnam?

11. Anything to add?

UNDER 30 INDONESIA

Where you live:

Your gender:

Your age:

What you do:

(e.g., X type of work; X type of student)

1. What appeals most to you about being an entrepreneur?
2. What concerns you most about being an entrepreneur?
3. What aspects of your life help or will help you as an entrepreneur?
4. What barriers or obstacles stand in your way as an entrepreneur?
5. Are you interested or active in building your business specifically in the tech industry? Why or why not?
6. How interested would you be in partnering with an entrepreneur from Canada?

- 1 - Not at all interested
- 2
- 3 - Neutral
- 4
- 5 - Extremely interested

7. What opportunities could you foresee in partnering with an entrepreneur from Canada?
8. What problems could you foresee in partnering with an entrepreneur from Canada?

9. What specific types of resources—from government, entrepreneur support organizations, online information sources...—would make you more likely to partner with an entrepreneur from Canada?

10. Anything to add?

UNDER 30 PERU

Where you live:

Your gender:

Your age:

What you do: (e.g., X type of work; X type of student)

1. What appeals most to you about being an entrepreneur?
2. What concerns you most about being an entrepreneur?
3. What aspects of your life help or will help you as an entrepreneur?
4. What barriers or obstacles stand in your way as an entrepreneur?
5. Are you interested or active in building your business specifically in the tech industry? Why or why not?
6. How interested would you be in partnering with an entrepreneur from Canada?

- 1 - Not at all interested
- 2
- 3 - Neutral
- 4
- 5 - Extremely interested

7. What opportunities could you foresee in partnering with an entrepreneur from Canada?
8. What problems could you foresee in partnering with an entrepreneur from Canada?

9. What specific types of resources—from government, entrepreneur support organizations, online information sources...—would make you more likely to partner with an entrepreneur from Canada?
10. Anything to add?

UNDER 30 THE PHILIPPINES

Where you live:

Your gender:

Your age:

What you do:

(e.g., X type of work; X type of student)

1. What appeals most to you about being an entrepreneur?
2. What concerns you most about being an entrepreneur?
3. What aspects of your life help or will help you as an entrepreneur?
4. What barriers or obstacles stand in your way as an entrepreneur?
5. Are you interested or active in building your business specifically in the tech industry? Why or why not?
6. How interested would you be in partnering with an entrepreneur from Canada?

1 - Not at all interested

2

3 - Neutral

4

5 - Extremely interested

7. What opportunities could you foresee in partnering with an entrepreneur from Canada?
8. What problems could you foresee in partnering with an entrepreneur from Canada?

9. What specific types of resources—from government, entrepreneur support organizations, online information sources...—would make you more likely to partner with an entrepreneur from Canada?

10. Anything to add?

UNDER 30 INDONESIA

Where you live:

Your gender:

Your age:

What you do:

(e.g., X type of work; X type of student)

1. What appeals most to you about being an entrepreneur?
2. What concerns you most about being an entrepreneur?
3. What aspects of your life help or will help you as an entrepreneur?
4. What barriers or obstacles stand in your way as an entrepreneur?
5. Are you interested or active in building your business specifically in the tech industry? Why or why not?
6. How interested would you be in partnering with an entrepreneur from Canada?

- 1 - Not at all interested
- 2
- 3 - Neutral
- 4
- 5 - Extremely interested

7. What opportunities could you foresee in partnering with an entrepreneur from Canada?
8. What problems could you foresee in partnering with an entrepreneur from Canada?

9. What specific types of resources—from government, entrepreneur support organizations, online information sources...—would make you more likely to partner with an entrepreneur from Canada?
10. Anything to add?

UNDER 30 VIETNAM

Where you live:

Your gender:

Your age:

What you do:

(e.g., X type of work; X type of student)

1. What appeals most to you about being an entrepreneur?
2. What concerns you most about being an entrepreneur?
3. What aspects of your life help or will help you as an entrepreneur?
4. What barriers or obstacles stand in your way as an entrepreneur?
5. Are you interested or active in building your business specifically in the tech industry? Why or why not?
6. How interested would you be in partnering with an entrepreneur from Canada?

- 1 - Not at all interested
- 2
- 3 - Neutral
- 4
- 5 - Extremely interested

7. What opportunities could you foresee in partnering with an entrepreneur from Canada?
8. What problems could you foresee in partnering with an entrepreneur from Canada?

9. What specific types of resources—from government, entrepreneur support organizations, online information sources...—would make you more likely to partner with an entrepreneur from Canada?
10. Anything to add?

INVESTOR QUESTIONS

Where you live:

Years you have been investing:

Gender:

1. How would you describe the type of investing that you do?
2. What is your main motivation for investing in startups?
3. What are the most important factors you consider in deciding whether or not to invest in a company?
4. What are some red flags that turn you off investing in a particular company?
5. Are there any particular thoughts you have—positive or negative—about investing in entrepreneurs under the age of 30?
6. How do you generally find out about the companies in which you plan to invest?
7. What general opinions do you have about investing in young tech entrepreneurs from Canada?
8. How interested would you be in investing in promising young tech entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam?
9. Would you be more excited about investing in an entrepreneur from one of these countries?

- Indonesia
- Peru
- The Philippines
- Vietnam
- No Preference

Why?

10. What opportunities could you foresee in investing in entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam?
11. What problems could you foresee in investing in entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam?
12. How would you feel about investing in a young entrepreneur team with members both in Canada and in one or more of these economies? Any particular advantages or problems you see in this sort of cross-country team?
13. Anything to add?

MENTOR QUESTIONS

Where you live:

Job title:

Gender:

1. What type of mentoring expertise might you offer to entrepreneurs under 30 who are looking to launch new ventures?
2. Why do/would you devote your time to mentoring young entrepreneurs?
3. What do you expect in return from young entrepreneurs whom you have agreed to mentor?
4. What are some red flags that would turn you off mentoring a young entrepreneur or entrepreneurial team?
5. How interested would you be in mentoring promising young entrepreneurs from Indonesia, Peru, the Philippines, or Vietnam?

- 1 - Not at all interested
- 2
- 3 - Neutral
- 4
- 5 - Extremely interested

6. Would you be more excited about mentoring entrepreneurs from one of these countries?

- Indonesia
- Peru
- The Philippines
- Vietnam
- No Preference

Why?

7. What might you particularly enjoy about mentoring young entrepreneurs who live in Indonesia, Peru, the Philippines, or Vietnam?
8. What concerns might you have in mentoring young entrepreneurs who live in Indonesia, Peru, the Philippines, or Vietnam?
9. How would you feel about mentoring a young entrepreneur team with members both in Canada and in one or more of these economies? Any particular advantages or problems you see in this sort of cross-country team?
10. Anything to add?



ASIA PACIFIC
FOUNDATION
OF CANADA

FONDATION
ASIE PACIFIQUE
DU CANADA