



Future of manufacturing Startup Global – Internationalisation policy measure United States

Born globals and their value chains

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1. Context

1.1. Circumstances in which the measure was introduced, rationale, and relevance

Startup Global has been developed in 2014 by the International Trade Administration at the <u>U.S.</u>

Department of Commerce in the context of the then <u>president's goals</u> of supporting more US exports of goods and services. Traditionally the Department of Commerce was more oriented towards support to larger companies, and the rationale of introducing Startup Global was to put SMEs and early stage companies into focus and to better target existing resources to these firms. The initiative is part of the wider <u>NEI/NEXT strategy</u> (National Export Initiative) (Export.gov, 2016). The NEI/NEXT strategy is designed to help US companies reach more overseas markets by improving data, providing information on specific export opportunities, working more closely with financing organisations and service providers, and partnering with states and communities to empower local export effort. Startup Global is being led by the International Trade Administration's NEI Office/Trade Promotion Coordinating Committee Secretariat.

1.2. The process of developing the measure

To ensure that the initiative is optimally conceptualised and executed, an iterative, open dialogue with stakeholders and entrepreneurs in the start-up community was carried out. This dialogue was kicked off in the form of a design workshop on 2 May 2014 at the White House. The workshop brought together approximately 40 representatives from the public and private sectors. Discussions centred, for instance, on the resources which would be most helpful to start-ups and what types of partnerships would concretely advance the initiative.

The U.S. Department of Commerce officially launched Startup Global in early 2015 in partnership with the <u>Global Innovation Forum</u> (GIF).

The Global Innovation Forum is a non-profit organisation that connects entrepreneurial, small business, development, and university communities with policy-makers and selected corporations to explore the opportunities and challenges of engaging in the global marketplace. GIF serves as a hub for start-up, university and development communities around the world to communicate with officials and corporations, discover public and private resources to help them succeed, and improve the public policy landscape to enable global innovation.

The Startup Global pilot event took place in Washington D.C. in April 2015.

In January 2017, the U.S. Department of Commerce and the Global Innovation Forum signed an updated Memorandum of Understanding to continue Startup Global.

1.3. Any changes in policy context over time

As the measure is rather new there is no significant change in the policy context so far.

1.4. Evidence of complementarity and/or overlap between the measure and other policy measures

Startup Global is an integral part of the overarching NEI/NEXT Strategy (see above). The rationale of the initiative is to make other existing resources better accessible for small and early stage companies. Such resources include, for example, advice from the Office of Intellectual Property Rights, offers of finance institutions or services of local authorities and innovation centres (see following chapters for details).

2. Content

2.1. Objectives of the measure

Startup Global is aimed at increasing awareness and knowledge of global opportunities among start-ups and of federal government resources to help start-up exporters, and at developing strategic partnerships of start-ups with relevant stakeholders, including the Department of Commerce. In other words, Startup Global shall make it easier for small and early-stage US entrepreneurs and businesses to understand and access (existing) export resources. According to the programme's information and the interviews carried out for this analysis, the ultimate objective is to help more start-ups (small businesses) go worldwide and sell overseas from the earliest stages. Specific objectives have not been translated into quantitative indicators.

2.2. General description of the measure

Startup Global offers half-day or full-day forums, seminars and workshops¹ for start-ups and small businesses, providing focused assistance and information to early-stage companies, exploring opportunities and best practices of peer entrepreneurs in the global marketplace, and identifying resources (available support, advice, data etc.) to help globally-minded business succeed.

Inputs to the events are delivered by a variety of organisations such as global corporations (for example, DHL, ebay, Microsoft), incubators/accelerators, the U.S. Department of Commerce, the U.S. Small Business Administration, management schools, universities, investors such venture capital firms or banks, chambers of commerce, or successful (global) entrepreneurs. These organisations and contributors act as 'resource advisors'; they are usually not financially compensated for their inputs. Between the various sessions, participating SMEs can also exchange their experiences among themselves.

The events are for free and open, and they are held in various US cities so that start-ups from all over the country have the opportunity to participate. For example, the latest events were held in Arizona, Long Island, New York City and Seattle. Stakeholders and experts contributing to the events are usually from the region. For these events there is a basic framework agenda which is tailored to the needs and specific circumstances of each local seminar/workshop. The seminars are usually structured into four to five themes with three to four speakers per theme, followed by Q&As. Sometimes sessions are organised as panel discussions rather than a series of speeches.

The topics of the events cover the most-pressing issues start-ups face in the global business environment and include subjects such as²

- Product certification;
- Protecting IPR;
- How to design an international business strategy;
- How to find customers, distributors and agents;
- How to navigate exporting laws and regulations;
- How to leverage e-commerce and digital marketing; and
- How to access support programmes encouraging exports.

Results and key messages of the events are made publicly accessible after the events (see an example here).

During the events, networking is promoted among the participants to trigger cooperation with a view to develop international business opportunities.

¹ For a list see http://www.globalinnovationforum.com/events-3/

² Collected from list of events.

2.3. Available budget

Funding basically comes from the U.S. Department of Commerce and local co-hosts may contribute as well (for example, by offering the venue).

No information is given on the amount of the available budget.

2.4. Target groups of the measure

Target groups of Startup Global are twofold:

- Start-ups looking to expand their business internationally; and
- Investors interested in engaging with start-ups.

There are no specific criteria in order to participate in Startup Global events. However, according to the interviews the activities are typically addressing companies with the following characteristics:

- Early stage companies;
- Having an innovative business idea;
- Planning to go global and selling overseas; and
- Small companies (up to a few hundreds of employees).

3. Relevance of the measure to SMEs/born globals and internationalisation

3.1. Relevance in relation to different types and stages of internationalisation

The measure is basically relevant for all types of internationalisation. However, according to the interviews the main focus is on selling abroad, that is, on exporting.

Furthermore, the measure is mainly relevant for those who did not go overseas yet or who are in an early stage of internationalisation.

3.2. Support for cooperation between SMEs/born globals and wider international collaboration (if any)

Although creating cooperation is not seen as the main aim of Startup Global, the events offered also have a strong networking component and partnerships can therefore be a by-product. Networking and forming partnerships is, however, mainly promoted among participants where the majority is US based organisations.

3.3. Contribution of the measure to tackle SMEs'/born globals' internationalisation support needs

As can be seen from the objectives and content provided, and according to the interviews, Startup Global contributes by inspiration, raising awareness of available (government) resources, and through knowledge transfer and creating contacts.

4. The operation of the measure

4.1. Promotion of the measure to internationalising businesses

It is mainly the single local Startup Global events that are promoted. Promotion is done for example through the US Export Assistance Centres across the country, universities, accelerators, the local chambers of commerce, and by the local stakeholders who contribute to the individual events. The Global Innovation Forum is in charge of promotion and also uses web presence and social media channels.

4.2. The process of application and assessment of applications

Interested local companies simply register via the website of the Global Innovation Forum. There is no registration fee or participation fee for attendants.

4.3. Delivery mechanism of the measure

The service is actually delivered through the active participants of each local event. The decision to carry out an event in a particular place/city is taken based on discussions between the Department of Commerce and the Global Innovation Forum and considering the interest of local co-hosts (for example, city administrations, universities, large corporations). The GIF together with the local co-hosts organises the event and recruits contributors depending on the locality and the agenda. Contributors include global corporations, local incubators/accelerators, the public administration and service providers, management schools, universities, venture capital firms, banks, chambers of commerce, successful (global) entrepreneurs, lawyers specialised in a certain field, research centres etc.

4.4. Administration of the measure

Startup Global is managed by the NEI Office/Trade Promotion Coordinating Committee Secretariat of the International Trade Administration at the U.S. Department of Commerce in partnership with Global Innovation Forum (GIF).

The role of GIF is to bolster the initiative's web and social media presence, to execute the series of Startup Global events and develop content based on lessons learned from the events (see above).

As mentioned above, other institutional actors are included in the programme on a case-by-case basis depending on the specific locality of the seminar and the agenda. This is initiated and organised by the GIF and the local co-hosts.

5. Monitoring and evaluation

5.1. Monitoring of the implementation and take-up of the measure: method and contents

There is no systematic monitoring. Participation numbers are collected but participants are followed up only in an ad-hoc manner and occasionally. There is an intention to improve monitoring in the future.

5.2. Evaluation of the measure: methods and contents

There is no evaluation of the measure.

5.3. Any changes to the content or delivery of the measure following monitoring and evaluation

N/a.

6. Evidence of outcomes and impact

6.1. Evolution of the measure's spending

The interviewed administrators expect stability of resources available for Startup Global.

6.2. The quantitative and qualitative outcomes of the measure

Since the outset in April 2015, eight seminars have been organised.

The number of participants per event usually ranges between 50 and 100. For example, the event at Long Island in November 2016 counted 80 participants. In Nashville, the number of participants was 40

6.3. Impact of the measure on its beneficiaries and other actors

According to the interviews, the main direct impact on participants is seen in providing them access to various practical resources and advisors for engaging internationally. Thus their capabilities for doing international business are raised. Participants also benefit from inspiration, and a changing mind-set towards international business.

6.4 Evidence of economic and employment impact

N/a.

7. Strengths and weaknesses of the measure

7.1. Strengths of the measure

According to interviews, a main strength of the measure is the highly practical information provided by practitioners and peers to interested companies.

Related to that, further strengths can be seen in the delivery of information through physical meetings and the spread of the seminars across the entire US. Through the involvement of local co-hosts and of stakeholders from the region the seminars account for the specificities of the local business community and established relations and contacts can be easily maintained. Moreover, the initiative is easily accessible and there are hardly any hurdles in relation to application or eligibility.³

7.2. Weaknesses of the measure

The outreach is currently limited to those companies participating at the events. Therefore, according to the interviews, there are plans to introduce ways to spread information and results of the events more widely (see also below).

Another gap may be seen in the fact that foreign organisations are not systematically involved in the events. Participants as well as contributors are mainly US-based. It is therefore difficult to directly establish global contacts at the events.⁴

7.3. Evidence of policy learning over time

Responding to the limitations mentioned above, the organisers have recently started to make contents and results of the events available to a wider audience in a more systematic way. They have started to post takeaways on the website and are developing formats for takeaways to reach out to relevant communities.

According to the interviews, other plans for improvement include increasing the awareness about Startup Global among the community and to be more pro-active in creating local events. Transferability⁵: In general, the initiative could be easily transferred to other countries or contexts. It would seem particularly useful for business communities which are so far less engaged in exporting and which are using available resources and support instruments to a lesser extent; that is, where the

⁴ Assessment of the author.

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³ Assessment of the author.

⁵ Assessment of the author.

government wants to encourage certain (local) groups or segments of enterprises, in a targeted way, to better harness relevant assistance, advice and other resources. An important precondition is that the programme manager is able to engage (local) key institutions, including those of the private sector such as investors, entrepreneurs, or corporations, to contribute to the events.

8. Recommendations

8.1. Overall recommendations regarding the measure

As mentioned above the main recommendations include:

- Making contents and results of the events available to a wider audience through appropriate formats.
- Increasing the awareness about Startup Global among the relevant community.
- Being more pro-active in creating local events.

8.2. Recommendations on the national support system for SME/born globals' internationalisation

One recommendation from the interviews is to make the resources of US embassies in foreign countries better accessible and available to SMEs. SMEs are currently not aware of how embassies can help them and do not use their assistance and expertise.

Another recommendation from the interviews is that trade agreements should be designed to better acknowledge the situation and needs of SMEs.

8.3. Any gaps in the provision of policy support and suggestions See above.

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All Eurofound publications are available at www.eurofound.europa.eu

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