Advancing APEC Start-Up: APEC Start-Up Accelerator Initiative

Purpose: Consideration
Submitted by: SMEWG Chair

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Background

Built on the efforts to assist start-ups and entrepreneurs in the APEC region, namely the APEC Start-up (the United States), the APEC Start-up Conference (Korea) and the Seminar on the dynamics of SME: Informality and Women Entrepreneurship (Indonesia), the SMEWG set forth a vision to foster innovation and create an entrepreneurial society by establishing an APEC Start-up Accelerator Initiative (ASA) to assist SMEs, start-ups, and entrepreneurs across the APEC region. The initiative seeks to facilitate the development of innovation while promoting entrepreneurship through capacity building activities and connections to high profile serial entrepreneurs, successful start-ups, angel and venture capital funding, and business and technical high level executives.

Given the economic importance of start-ups across the Asia-Pacific region, the ASA is designed to provide entrepreneurs and start-ups with a better accessibility to mentorships and funding through events and communities, and encourage exchange programs to help start-ups expand into partnering APEC economies. Due to the variation in technical and financial capacity among APEC member economies, broad-based cooperation - including capacity building - will be a central pillar of APEC efforts to enhance start-ups in APEC economies.

Relevance to the SMEWG Strategic Plan 2013-2016

The ASA directly contributes toward the new SMEWG Strategic Plan 2013-2016, and focuses on capacities building in the 3 priority areas of the Strategic Plan 2013-2016, namely 1) Building Management Capability, Entrepreneurship and Innovation; 2) Financing; and 3) Business Environment, Market Access and Internationalization, to bring competitive, balanced, inclusive, sustainable, innovative, and secure growth for start-ups, SMEs, and MEs in the APEC region while facilitating them individually and collectively to attain their fullest growth potential and contribute to the achievement of APEC’s wider economic prosperity and integration goals.

Beneficiaries

The APEC Start-up Accelerator Initiative will benefit entrepreneurs, start-ups, the private sector, and governments, while enhancing the potential for regional commerce and economic growth.

- For entrepreneurs and start-ups, it would mean better accessibility to established mentors and regional funding to help them launch successful start-ups
- For the private sector, APEC corporations and businesses would get a chance to acquire and/or fund start-ups that are related to their own strategic interests and to booster innovation in APEC economies.
- For governments, it would mean more cooperation between private and public incubators and encourage trade among participating APEC economies.

Given the scale and scope of potential activities under the APEC Start-up Accelerator Initiative (ASA), the initiative suggests participating APEC economies that they consider how to structure work plans for implementing ASA into manageable steps and components, including organizing activities into short-term, mid-term, and long term deliverables.

Overview of the APEC Start-up Accelerator Initiative

The APEC Start-up Accelerator Initiative is made up of 3 core elements:

Part 1: Connect - Encourage Entrepreneurship and Business Start-ups
Part 2: Fund - Strengthening Start-ups Access to Financing
Part 3: Advise - Enhance Start-ups Capacity to Internationalize, and Assist Start-ups to Identify Foreign Business Opportunities

Part 1: Connect - Encourage Entrepreneurship and Business Start-ups

The first core element of the APEC Start-up Accelerator Initiative would be to connect entrepreneurs and start-ups with Mentors and through capacities building activities, such as Events, to help
encourage entrepreneurship and business start-ups as part of the priority area, Building Management Capability, Entrepreneurship, and Innovation, of the SMEWG for 2013-2016.

**Part 2: Fund - Strengthening Start-up’ Access to Financing**

The second core element of the APEC Start-up Accelerator Initiative would focus on creating a Venture Capital or Angel Network for entrepreneurs and start-ups to help strengthen start-ups’ access to financing as part of the priority area, Financing, of the SMEWG for 2013-2016.

**Part 3: Advise - Enhance Start-ups’ Capacity to Internationalize, and Assist Start-ups to Identify Foreign Business Opportunities**

The third core element of the APEC Start-up Accelerator Initiative would be to Advise established start-ups in Market Entry through an exchange program for start-ups in the APEC region to help enhance start-ups’ capacity to internationalize, and assist start-ups to identify foreign business opportunities, as part of the priority area, Business Environment, Market Access and Internationalization, of the SMEWG for 2013-2016.

**Implementation: Seeking Cooperation between Member Economies**

The SMEWG encourages member economies to take concrete actions individually or collectively to advance this initiative. We also encourage member economies to report progresses or results related to the initiative on SMEWG related meetings.
Overview of ASA Initiative (1)

Built on APEC efforts to assist start-ups:
- APEC Start-Up (United States)
- APEC Start-Up Conference (Korea)
- Seminar on the dynamics of SMEs: Informality and Women Entrepreneurship (Indonesia)
- Young Entrepreneurs Summit-YES (China, Malaysia)
- Young Entrepreneur Network-YEN (Russia)
Seek to facilitate the development of innovation while promoting entrepreneurship.
Implement capacity building activities.
Connect to high profile entrepreneurs and successful start-ups.
Link with angel and venture capital funding, and high level executives.
Provide access to mentorships and funding through events, communities and exchange programs.

Focus on capacity building in the 3 priority areas:
- Building Management Capability, Entrepreneurship and Innovation
- Financing
- Business Environment, Market Access and Internationalization
For entrepreneurs and start-ups, it would mean better accessibility to established mentors and funding.

For the private sector, APEC businesses would get a chance to acquire and/or fund start-ups that are related to their own strategic interests.

For governments, it would mean more cooperation between private and public incubators.

### Elements of the APEC Start-Up Accelerator Initiative

#### Part 1: Connect - Encourage Entrepreneurship and Business Start-ups

- Connect start-ups with mentors through events
  - Educational: e.g., Regional Mega-Startup Weekend events; “Silicon Valley comes to <economy>”
  - Incubation: 30 day push programs with mentorship
Part 2: Fund - Strengthening Start-ups’ Access to Financing

- Create a venture capital or angel network for start-ups
  - Structure: Local Angel Clubs and APEC-wide Venture Capital Fund, Government Grants, local incubators
  - Dealflow: Proprietary online platform (like Angel.co), Ick-off and Demo Days in various APEC economies

Part 3: Advise - Enhance Start-ups’ Capacity to Internationalize and Identify Foreign Business Opportunities

- Develop exchange programs for start-ups
  - Test/develop product in another APEC economy supported by a local incubator.
  - Market entry & business development, fund raising, int’l mentorship