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# We're number 1! Medicon Valley scores high in entrepreneurship

By Chris Tachibana

## **Scandinavian countries have the attitudes, activities, and aspirations to encourage business start-ups**

The best place in the world to start a business is right here in Scandinavia, according to a study from the United States Small Business Administration. The 2010 study ranked Denmark first in global entrepreneurship out of 71 countries. Canada was second, the US was third, and Sweden was fourth; Norway was eighth, Iceland was ninth, and Finland was thirteenth.

- The Scandinavian countries must be doing something right, because they have big, successful companies and economies, even though they are relatively small, says Zoltan J. Acs, professor and director of the Center for Entrepreneurship and Public Policy at George Mason University in Virginia, USA, and founder and president of the Global Entrepreneurship and Development Institute, a nonprofit organization that studies and promotes economic improvement through entrepreneurship. Acs conducted the study with Laszlo Szerb, professor of Business and Management Studies, University of Pécs, Hungary.

## **Strong, balanced entrepreneurial pillars**

Countries were ranked using the Global Entrepreneurship and Development Index (GEDI), a measure developed by Acs and Szerb that includes both quantitative and qualitative data, at the institutional and

individual level. GEDI rankings give countries up-to-date information about their entrepreneurial environment, and also provide a long view.

- We developed the GEDI to get a global picture, for example to ask how Scandinavian countries perform against developing and rapidly emerging areas like India, Brazil and China. We can also evaluate developments on a year-to-year basis and over the century.

Data sources include the World Bank, the Office of Economic Cooperation and Development, and annual surveys from Global Entrepreneurship Monitor, a nonprofit academic consortium, says Zoltan J. Acs.

The GEDI is organized into three sub-indexes, or pillars: attitudes, activities and aspirations. Attitudes are the population's feelings about business startups, activities are efforts to improve human resources and technological efficiency, and aspirations are entrepreneurs' attempts to innovate and globalize.

- Attitudes are measured at the country level and basically ask, does your mother want you to be an entrepreneur? If not, chances are not many people will do it. Activities measure if the country is a good place to be an entrepreneur. Aspiration asks, do you want to be Mark Zuckerberg (founder of Facebook)? Do you want to create a billion-dollar business and are you smart enough, and willing to work 16 hours a day, everyday for 5 years?, explains Zoltan J. Acs.

Acs says that the Nordic countries show how entrepreneurial success comes from being equally strong in all three areas. He compares these to the pillars of a Greek temple, which have to be the same size for optimal support. A shortcoming in one sub-index can make the entire entrepreneurial structure collapse. This means countries should work to support their weakest pillar, says Acs, which in Scandinavia is aspirations. To build up this pillar, entrepreneurs must be encouraged to pursue new products and technologies with a high international impact.

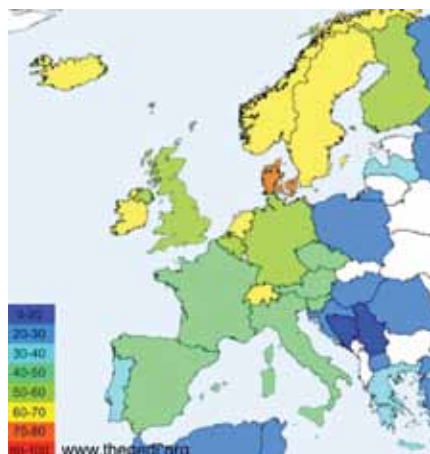
## **Creating entrepreneurial opportunities**

That is exactly what Medicon Valley is doing, says Rasmus Beedholm-Ebsen, Regional Project Manager at Invest in Denmark, in the Danish Ministry of Foreign Affairs. With a PhD in medicine and a Master's degree in molecular biology, Beedholm-Ebsen specializes in the biotech and pharma sector. He notes that many successful new companies are started by and employ highly educated people.

- The government recently realized that few people with a PhD- or Master's-level education, especially in science or medicine, are entrepreneurs who go out and start their own companies, says Rasmus Beedholm-Ebsen.

This has prompted the business community and the government to sponsor programs that specifically encourage new business development in sectors with highly educated

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*GEDI (Entrepreneurial index, high scores = high entrepreneurial index)*

personnel such as biotechnology. One is the 80 million DKK 2010 Entrepreneurial University contest from the Danish Enterprise and Construction Authority of the Ministry for Business and Economic Affairs; and the Danish Growth Council, Danish Enterprise and Construction Authority and Fund for Entrepreneurship (Fonden for Entreprenørskab). The contest rewarded activities to make students more aware of the possibility of starting a new company or adding innovations to existing companies. The two contest winners were Aarhus University, and a collaboration between the University of Copenhagen, the Technical University of

Denmark, and the Copenhagen Business School. Both groups created new entrepreneurial centers with a high focus on science and health. The centers have the goal of reaching out to all students, especially in science and medicine, to make them aware of possibilities for creating new businesses. Science and medicine students take a class or lecture in entrepreneurship, and the center provides a place for students to go for advice when they are going to start a company.

As other examples of encouraging high-tech entrepreneurship, Beedholm-Ebsen points to university programs that help researchers develop spin-off companies from their projects. Another feature of Medicon Valley, he says, is the abundance of biomedical companies that provide examples and support.

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With these advantages, Medicon Valley can be a great place to start a high-tech business with a global impact—elements of the aspiration pillar. Beedholm-Ebsen's advice is to think big, but think it through carefully.

- In Denmark, it is very easy to set up a business, but that doesn't mean you are successful. You have to be innovative, and have good idea and have something unique to sell, ends Rasmus Beedholm-Ebsen.

***Invest in Denmark***

*[www.investindk.com](http://www.investindk.com)*

***Global Entrepreneurship and Development Institute***

*[www.thegedi.org](http://www.thegedi.org)*

***September 2010 study on Global Entrepreneurship and the United States***

*[www.sba.gov/ADVO/research/general.html](http://www.sba.gov/ADVO/research/general.html)*

***Entrepreneurial University contest (in Danish)***

*[www.ebst.dk/nyheder/238939](http://www.ebst.dk/nyheder/238939)*