



sage

Walk with me

Meet the new generation of entrepreneurs

#nextgen

The world is adapting to an entirely different kind of workforce.

What can we learn from Millennial entrepreneurs and their approach to work, and how do we hire, engage, and do business with our next generation of leaders?

We Millennials have surpassed baby boomers in the United States as the largest living generation, according to population estimates released in April by the U.S. Census Bureau.

Defined as those born roughly between 1983 and 2000, we're a generation worldwide that are changing everything, from work and spending patterns to the adoption of new technology, innovation, and regulation.

We're starting more companies, managing bigger staffs, and targeting higher profits than our baby boomer predecessors, according to the 2016 BNP Paribas Global Entrepreneur Report. And we're discovering entrepreneurship significantly earlier than they did.

We may be the startup CEOs of the present, but we'll be the business leaders of the future.

The opportunity to foster a new economy, triggered by young entrepreneurs, has never been greater, and the way we choose to operate in the business world is set to become the new normal. But, in order for the business community to support us in the right way, they need to understand what really makes us tick.

What values do we hold? How do we like to work? What are our common frustrations?

Introduction

At Sage, I'm leading innovative, mobile products for entrepreneurs. As a young entrepreneur myself, I'm so excited to be building an AI chatbot that does accounting and boring business admin. It's a huge upgrade from the first robot I built that brought me chocolates from the snack bar.

While building products, like this one, for Millennial entrepreneurs, we quickly realized that they are not all the same.

So Sage has conducted detailed global research to reveal the key characteristics, attitudes, and behaviors of today's young entrepreneurs, who are the cornerstone of our economic development. It delves into various areas including:

- **Values and motivations:** how views are changing.
- **Culture:** what global nuances might teach other countries.
- **Technology adoption:** how this is shaping the way we work.
- **Red tape:** how and why this needs to change.

The results, especially when it comes to their relationship to technology, are not what you might expect.

Our in-depth research also uncovers the barriers—some already well known, others much less so—that entrepreneurs of this generation face daily around the world, and explores how these can be minimized, be that with help from bigger business or through simplified regulation.

Lastly, our research identifies some of the secrets to their success—which makes it a vital read for businesses both big and small.

The message is clear. Millennials have a huge role to play in the startup economy and are shaping the modern workplace at great pace. Both businesses and policymakers must provide the right environment, in order for them as individuals, and the global economy, to flourish.

We hope you enjoy reading the results of our research. If you'd like to comment on the report, or have any thoughts or questions, I'd love to hear from you. You can contact me at Kriti.Sharma@sage.com.

Kriti Sharma

Global Director, Mobile Product Management, Sage

34%

say they started their own business so they could be master of their own identity, 24% to turn their ideas into a reality, and 21% to make money.

62%

of young entrepreneurs claim that despite technology constantly evolving, they do not worry about keeping up.

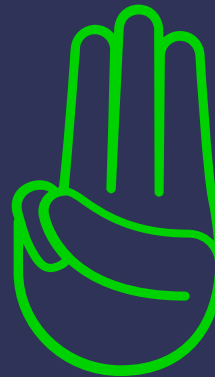
41%

believe that technology will make the concept of "your desk" defunct and that, in the future, everyone will work through a mobile



63%

of young entrepreneurs believe they will start more than one business in their lifetime.



62%

say they have sacrificed profit to stay true to their personal values.



The five personas

Our research uncovered five dominant personas among Millennial entrepreneurs:

The Principled Planners

The Driven Techies

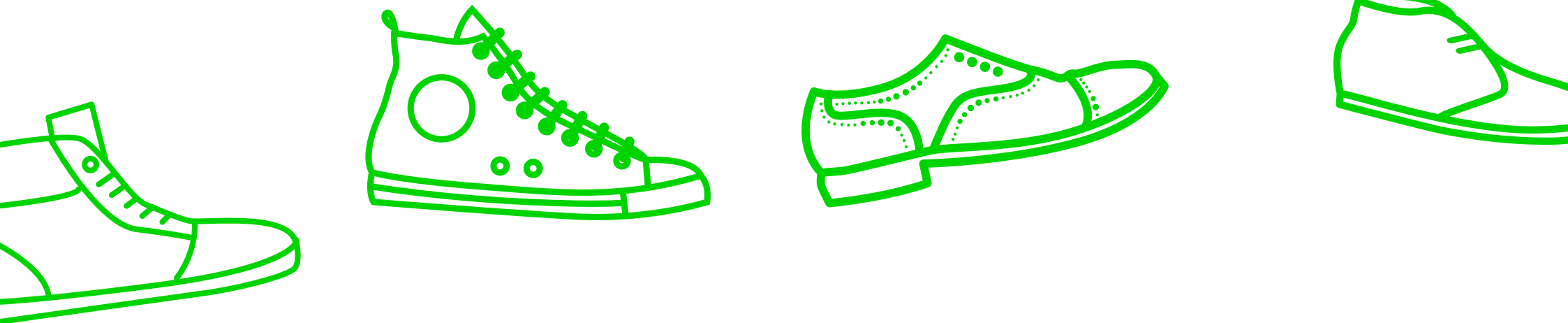
The Instinctive Explorers

The Real Worlders

The Thrill Seekers

These five personas are defined by their views across three areas:

- Attitudes to technology (worriers vs. nonworriers)
- Attitudes to doing business (methodical vs. spontaneous)
- Social impact of business (important vs. overrated)



Methodology

Usually referred to as Millennials or Generation Y, our research is based on 7,400 online surveys with entrepreneurs aged between 18 and 34, in 16 countries, during April 2016.

How young entrepreneurs approach work

This generation entered the workforce during the global recession that began in 2008 or postrecession. With increased pressure on those in employment, managing their workload, family, and personal responsibilities has been difficult for this generation, greatly affecting their outlook and approach to doing business.

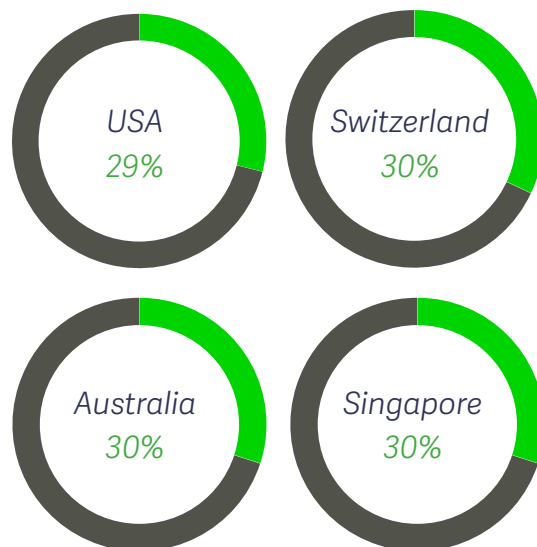
Values

Unlike for the generations came before, work/life balance or integration is an important consideration for young entrepreneurs. A whopping 66% say they prioritize life above work, and 62% of those surveyed say they have sacrificed profit to stay true to their personal values and ethics. Meanwhile, 69% say that doing social good is an important part of what they do – this is especially important to entrepreneurs in South Africa (80%) and Brazil (81%) compared to other countries.

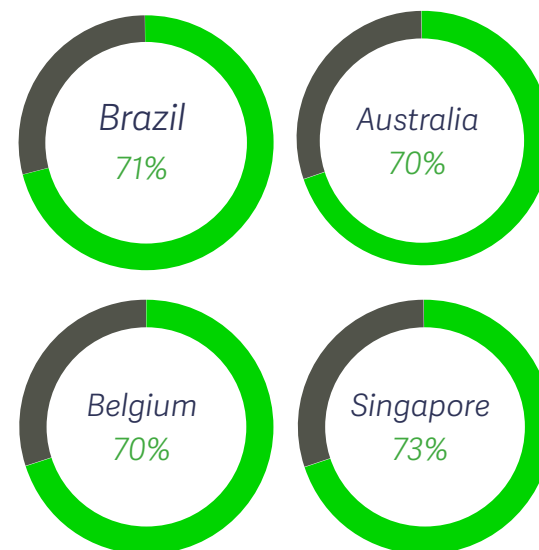
The vast proportion of those surveyed are still as excited about their business as they were when they started it up; however, the majority don't see themselves running it forever. In fact, a quarter of those surveyed say they find the amount of hours they have to work demotivating; this is particularly true of those in the USA (29%), Australia (30%), Singapore (30%), and Switzerland (32%).

A quarter of those surveyed, across Brazil (71%), Australia (70%), Belgium (70%), Singapore (73%), and Switzerland (70%) especially, also say that reducing the amount of hours they spend working and retiring early is a key focus for them.

Countries that find the amount of hours they have to work demotivating:



Countries that say reducing the amount of hours they spend working and retiring early is a key focus for them:



Motivation

Entrepreneurs of this generation start their own business for three key reasons; a desire to be master of their own lives, to turn their ideas into a reality and to make money.

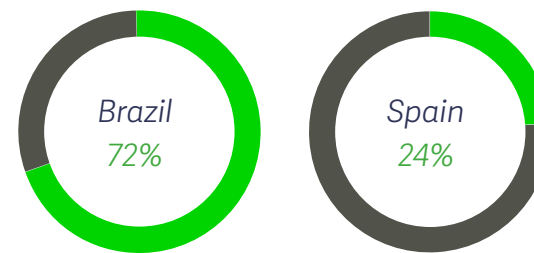
Being their own boss is particularly important to those living in Brazil (46%), the USA (40%), Portugal (40%), France (38%) and the UK (36%). While in Poland, making money is the overwhelming reason to work for yourself, as opposed to someone else (32%).

With integrating work and life being so key, it makes sense that 37% of entrepreneurs surveyed see their business as a reflection of themselves and measure their own success by the success of their business. They take pride in their work, with many wanting their businesses to grow and for them to be famous off the back of its success.

This is particularly true for those working in Brazil (54%) and Nigeria (72%), while those in Belgium (25%) and Switzerland (24%), more than in any other country, work instead for the happiness of their employees.

However, entrepreneurs of this generation don't just want to be successful, they want their work to be fulfilling too. They see working for themselves as a way to stay true to their values; over a third say they started their own business so they could be master of their own identity.

This notion has proved so alluring that 63% of entrepreneurs believe they will start more than one business in their lifetime, and of those, over half are motivated by the ideas they want to share with the world. This is particularly true of Brazilians (72%), while in Spain, enjoying what they do is the greatest motivation for small business owners (24%).



Ways of working

What's clear from the research is that Millennial entrepreneurs greatly value flexibility and want to have freedom over when, where, and how they work, as well as with whom. A third of those surveyed say they want their business to grow, but only as long as they continue to work for themselves and can be autonomous.

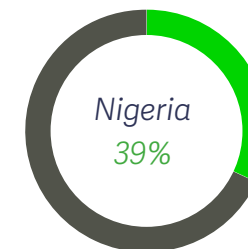
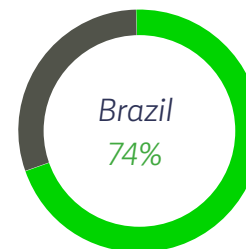
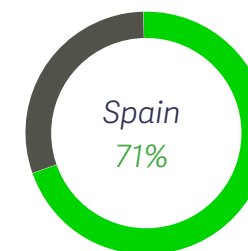
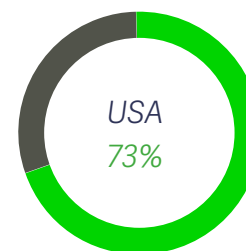
The same number say they strive to recruit staff who share their personal values, and another third want employees to share their ambition and drive. While those in Poland and Belgium say this is typical of them, those in Nigeria prefer instead to recruit people who challenge their thinking and bring a fresh perspective.

Two-thirds of the entrepreneurs surveyed say they enjoy bouncing ideas off team members; this is particularly high in Switzerland (78%) where entrepreneurs say they work best around others.

It's perhaps no surprise then that 61% also say they socialise with coworkers at least once a week, no matter what, and almost a quarter say that when it comes to the smooth running of their business, company culture is the most important element of their business.


Entrepreneurs in the USA (73%), Spain (71%), and Brazil (74%) especially, say they socialize with their team at least once a week, while those in Nigeria (39%) tend to do this less often—perhaps once a month

Alongside identifying the numerous trends helping us to define the next generation of entrepreneurs, our research also uncovered five dominant personas. Each group has unique ambitions and attitudes, and faces distinct challenges. Understanding more about each can help us to dispel the myth that all Millennials are the same and enables us to support these entrepreneurs and their businesses better.



The Principled *Planners*



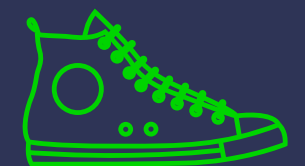
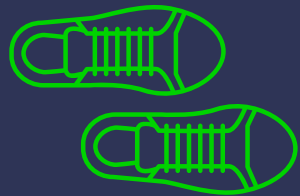


The Principled Planners are extremely methodical in their approach to work and enjoy carefully planning for success, in a structured way. They have an ambitious streak, never take anything at face value, and always ask a lot of questions.

However, the Principled Planners are also keen to make an impact on society and are careful to prioritize their own set of personal values over making a profit. They want to enjoy what they do and be masters of their own destiny.

They value people more than technology but rely on paid-for technology to ensure they stay ahead of the competition and to target their customers. In ten years, they see themselves saving money on office space and overheads, thanks to mobile working and employing more people from overseas.





The Driven *Techies*



The Driven Techies love their work; they can't bear the thought of sitting around twiddling their thumbs. They trust in the power and efficiency of innovative technology to keep them one step ahead of the competition and have a strong belief in its ability to accurately target their existing and future customers.

Suspicious of appearances, they value technology more than people for the smooth running of their business, strongly believe in the quality of free technology, and believe that digital networking is crucial to their success.

Driven techies are motivated by a desire to share their ideas with the world but get demotivated by their dependence on funding and the crowded marketplace. More than any other persona, they work best on their own but like to know what everyone else is doing, so they can stay in control.





The Instinctive Explorers

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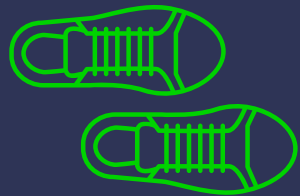


The Instinctive Explorers are cavalier and love the unknown as well as exploring uncharted territory. They trust their gut instincts and stick to their guns. Their modern image is extremely important to them, as is leaving a legacy behind to be remembered by.

The Instinctive Explorers are less likely than most to embrace flexible working; however, they love technology and rely on it heavily for networking, although they say it's not crucial for their success. They claim they are resourceful enough not to have to rely on technology to succeed, so they are not concerned about being able to afford the latest gadgets.

For the Instinctive Explorers, making money is far more important than honoring personal and social values. Above all, they want to be famous and for their business to really make a splash. People who belong to this group are likely to be serial entrepreneurs, their plan being to work long hours, get rich quick and retire early. When it comes to work/life balance, they are more likely to choose work over life and for that reason value regular socializing with colleagues. They tend to leave employees to their own devices, trusting them to deliver.





The Real *Worlders*





The Real Worlders are very resourceful but are likely to say they rely on technology—preferably free technology—in order to succeed. When it comes to their approach to work and making decisions, they tend to alternate between going on gut instinct and taking a more methodical approach.

Keen to grow their business, as long as they can continue working for themselves, Real Worlders are often serial entrepreneurs. They value people more than technology for the smooth running of their business and prefer to do business in the real world, as opposed to the virtual world.

They are most likely to choose life over work but pride themselves on doing a good job and believe strongly in people power.





The Thrill Seekers



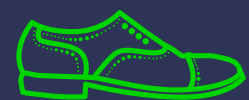
Easily bored and always on the lookout for the next challenge, the Thrill Seekers enjoy diving into the unknown and couldn't care less about appearances. Over half say they lost passion for their business up to a year after starting up.

Thrill Seekers choose highly social ways of working, work best around others, and enjoy bouncing around with people. They are as likely to leave employees to their own devices as they are to know what's going on.

The Thrill Seekers believe that making a social impact is overrated, treat the success of their business as their own, and work for the happiness of their employees, who tend to share their ambition and drive.

They are not in the least bit concerned about the evolution of technology and are indifferent to the extent that it could help their business. In fact, they feel they would be able to run their business with the technology that was available 20 years ago.





Young entrepreneurs and technology: A love affair?

We're all familiar with the stereotype of the Millennial: whiz kids, typing a mile a minute, with all the latest devices. But is it even true, and how are young entrepreneurs really using technology in the workplace?

How they see it

Mobile devices are the platform of choice for today's entrepreneur, and, as you might expect from a generation that has been computer literate from an extremely young age, a large portion place huge emphasis on technology and are keen to be at the forefront of new trends.

More than a third of young entrepreneurs say the technology they use is the most important element when it comes to the smooth running of their business; they couldn't prosper without it. Those in France (42%) particularly say they rely on it, while those in Brazil (81%) say they couldn't succeed without it. When it comes to networking and new business, almost three-quarters of those surveyed say that they use technology rather than a face-to-face approach.

However, according to our research, this constant thirst for the latest technology is not nearly as prevalent among young entrepreneurs as the stereotype would have us believe. Those we asked were divided, with almost half—many from the U.S. (51%) and Brazil (52%)—saying they believe they would have been able to run their business with the technology that was available 20 years ago, and 41% saying the opposite.

More interesting still, 59% of those surveyed—including 67% of Australians—say they are resourceful enough not to have to rely on technology to succeed, and in Belgium 67% are indifferent about the extent to which technology helps their business. Many also rate free technology poorly, saying it's never as good as the technology you have to pay for.

sixty-two percent of young entrepreneurs, many of those in Brazil (69%), claim that despite technology constantly evolving, they do not worry about whether they will be able to keep up. And 72%, among them many Nigerians (80%), claim they do not worry about whether they will be able to afford the latest technology.

Looking to the future, in the next ten years, 41% of those surveyed believe that technology will make the concept of "your desk" defunct, that the workplace will have more virtual staff—the Brazilians (54%) are most convinced of this—and that, in future, everyone will work remotely and flexibly, over a mobile device.

What's standing in the way of the Millennial entrepreneur?

We know it takes blood, sweat, and tears to turn a dream business idea into a fully fledged reality. So entrepreneurs who are already time poor shouldn't have to battle against practices created in an outdated business world.

Forty-three percent of Millennial entrepreneurs say they find bureaucracy demotivating, with those in Brazil and Poland finding this particularly difficult.

Meanwhile, 36% of those surveyed, most notably in Singapore (46%), South Africa (43%), Spain (44%), and Australia (43%), say receiving late payment and worrying about cash flow is disheartening.

Of all the personas, the Driven Techies are the most demotivated by bureaucracy and red tape, while 41% of them become demotivated by late payers.

Almost a third, many in Singapore (35%) and Nigeria (36%), also say they struggle to get funding, and over a quarter, more than any other persona, say they suffer from increasing competition in the workplace, as more and more people get the startup bug.

Principled Planners meanwhile have voiced a different challenge, with almost a third saying they struggle to find like-minded staff with the right skills to hire into their business.

One of the ways that governments across the globe can support these entrepreneurs is by minimizing their challenges. In the UK, for example, business rates condemn expanding businesses to an early grave. While, in the age of Internet banking, businesses all over the world are still not getting paid on time.

Small businesses need government support to reach their full potential, which will also significantly benefit the wider economy.

This generation of entrepreneurs wants to build a culture of innovation. They've grown up with the technology at their fingertips to make processes efficient and allow instant access to real-time information, whenever and wherever they are. They are therefore less accepting of outdated practices that slow things down and hold them back. Let's help them to really fly.

Our vision for the future

It's clear from our research that Millennial entrepreneurs have a huge role to play in the startup economy and are transforming the way we all work.

But they need to be given the tools to flourish and make the journey from startup to successful business.

Entrepreneurs across the globe are seeing the business world through a new lens. They have great ideas and are starting their businesses because they want to share those ideas with the world.

They are shaking things up, rejecting established patterns of working and making technology work, for them. Optimistic, they put in the hours but want flexibility over when, where, and with whom they do business, determined to surround themselves with people who share their ambition and drive.

Maintaining their work/life balance and staying true to their personal values is a high priority for many.

The right technology is a fundamental part of this evolved way of working. Using mobile devices allows entrepreneurs to work remotely, stay in contact with coworkers and run their business from wherever they are.

We want to give young entrepreneurs the power to control their business from the palm of their hand. eighty percent of time spent on mobile is concentrated in the user's five favorite apps, and young entrepreneurs want personalized, instant, friendly experiences.

At Sage, we're developing products like a smart personal assistant for your business. It lets you manage your finances via your favorite messaging apps—Facebook, Slack, Kik, and more—so entrepreneurs can run their business through a conversation.

Smart technology like this creates efficiencies that help them to stay one step ahead of their rivals.

The biggest challenge for this generation is the bureaucracy and red tape that holds them back and stops them, and their businesses, from being agile and competitive.

In a crowded marketplace, Millennial entrepreneurs want the best chance of getting funding, efficient ways of managing their cash flow, and access to the right skills and talent to really push their businesses forward—and put themselves and their country on the map.

The greatest chance of success, for those looking to hire, engage, and do business with this generation, lies in forgetting the stereotypes and responding instead to their specific needs, concerns, and requirements. They are hungry to create a new wave of businesses. It's the responsibility of this generation to remove the barriers to growth.

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